



COMMUNITY EMPOWERMENT FOR CREATIVE INNOVATION'S
FINANCE POLICY
REVISED NOVEMBER 2023

Approved on **November 3, 2023**, during the 2023 Quarter Three (Q3) board meeting of the Board of Directors of Community Empowerment for Creative Innovation (CECI Uganda), chaired by Topista Pamela Oleru, and attended by Ayoo Irene, Luate Emmanuel, Patrick Chandiga Justine, Benson Khemis Soro, Vita Geofrey, Atim Elizabeth, Onjima Peter, and Sanyu Sharon.

Signed on Behalf of the Board by:

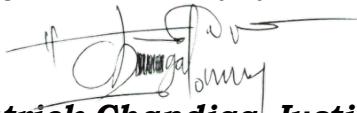

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Co-founder and Board Chair
November 3, 2023



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ACRONYMS

DN	Delivery note
SDA	Safari Day Allowance
FY	Financial Year
GRN	Good Received Note
IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
IGG	Inspector General of Government
LPO	Local Purchase Order
CECI	Community Empowerment for Creative Innovations
PV	Payment Voucher
UGX	Uganda Shillings
BOT	Board of Trustees of CECI. They are also the trustees
SMT	Senior Management Team
ED	Executive Director
SFO	Finance and Admin Officer
QBKS	Quick Books Accounting Software

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PREAMBLE

1.0 INTRODUCTION

1.1 About CECI Uganda

Community Empowerment for Creative Innovation (CECI) is a non-profit, refugee-led organization founded in 2017 to promote peace, self-reliance, and dignity among refugee communities in Northern Uganda. Through innovative programs focused on peacebuilding, education, livelihood, and environmental sustainability, CECI equips refugees, particularly youth, women, and girls, with the necessary tools to prevent, reduce and transform conflicts, build resilience, and rebuild livelihoods for a peaceful and self-reliant community.

1.2 Background of CECI Uganda

CECI was founded in May 2017 by a group of South Sudanese refugees, including students, teachers, evangelists, and social activists, in response to and prevention of violence in refugee communities through innovative and creative locally-led peacebuilding initiatives that aim to prevent, reduce, and/or transform conflicts. It emerged to address conflict tensions and ethnic cleavages stemming from resource access and utilization, cultural intolerance, hate speech, trauma, and limited employment opportunities among and between refugees and host communities.

CECI was registered as a Community-Based organization with the Koboko District Local Government (Reg. No. 563/124) in August 2017 and later incorporated as a Company Limited by Guarantee in September 2020 under section 18(3) of the Companies Act 2012 in the Republic of Uganda (Reg. No. 80020002697777). CECI currently holds a valid Memorandum of Understanding with the Office of the Prime Minister of Uganda (OPM), granting it full clearance to operate in refugee response operations in Uganda. CECI has expanded its services since 2018 to benefit refugee and host communities in Koboko, Yumbe and Obongi districts.

1.3 Vision

An Empowered, Peaceful and Self-reliant Community.

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1.4 Mission Statement

To promote peace, self-reliance and dignity through recreational activities, education and other innovations going beyond relief and development.



1.5 Objectives

1.4.1 CECI Uganda seeks to;

1. Build peace and improve social cohesion among refugees and with host communities
2. Build skills to support development and peace
3. Promote girl child education and early childhood development
4. Increase community knowledge and understanding of HIV/AIDS care and prevention
5. Eradicate Gender Based Violence
6. Green the environment
7. Foster creativity and innovation among youth in their respective fields of practice

1.6 Core values/guiding principles

1.5.1 In order to win the trust and confidence of the citizens, civil society organisations, the government institutions, partners. Organisations, donor and international communities and any other persons or organisations that may in another way interact with Community Empowerment for Creative Innovations the organisation shall be embraced and guided by the following values and principles:

1. **Teamwork:** We believe in the strength and value of collaboration and respect for each other's strengths, which can lead to successful outcomes.
2. **Honesty:** We are open and honest in all dealings and maintaining the highest integrity at all times
3. **Commitment:** We work within established timelines and remain focused on achieving our desired results.
4. **Professionalism:** We act with integrity, provide quality service, and take responsibility for our actions.
5. **Personal Development:** We value learning and growth, and we encourage feedback, coaching, and mentorship for all team members.
6. **Accountability and Transparency:** We are responsive, compliant, and maintain clear and open communication with the people we serve and work with.



1.7 Program Thematic Areas

1.7.1 CECI operates in four programmatic areas to advance its mission and vision:

1. **Peacebuilding:** We promote peaceful dispute resolution and reconciliation, building and increasing peaceful coexistence and social cohesion among refugees and host communities through hate speech mitigation and media literacy, dialogues and community outreach, conflict management and resolution, and trauma healing and peace education.
2. **Education:** We promote girl child education and early childhood development through menstrual hygiene management, advocacy, community awareness and education, educational materials, public health promotion, gender-based violence community awareness and empowerment, and educational radio programming for children.
3. **Livelihood:** We focus on developing skills to promote peace and development, resilience, and employability through income-generating activities, girls' technological empowerment, and vocational and entrepreneurial skilling.
4. **Environment:** We promote environmental sustainability through community education on climate change and environmental conservation, the promotion of tree planting and the use of alternative fuel sources, and proper waste disposal and management.

1.8 Strategy/Approach

1.8.1 CECI follows a comprehensive strategy for effective, efficient and responsive program design and implementation, responding to the needs of the communities it serves. This includes:

1. **Participatory Approach:** We encourage beneficiaries to participate actively in all programs, from needs assessment to



implementation, monitoring and evaluation and sharing lessons learned.

2. **Community-Centered Approach:** We place the community at the forefront of all programs and project interventions and recognize it as the purpose of our existence.
3. **Coordination and Collaboration:** We work and coordinate our activities with government and non-governmental organizations, refugee structures, and other local stakeholders within our operational areas.
4. **Accountability and Transparency:** We maintain transparency in all program activities and associated budgets, which can be accessed by anyone upon request.
5. **Needs-Driven Approach:** Our program activities are not imposed from the top down but are instead based on the needs of our beneficiaries.

1.9 Target Audience

1.9.1 CECI's programs address the unique needs and challenges faced by various vulnerable groups in Northern Uganda, focusing on youth, women, girls, elderly persons, persons with disabilities, and other vulnerable groups living in refugee and host communities.

1.10 Governance and Management Structure

1.10.1 CECI is run by a team of skilled, competent, and experienced personnel headed by an Executive Director who is Secretary to the Board of Directors – a supreme body of the organization after the General Assembly. The Board, consisting of 5 members, is the custodian of all policies, formulates and reviews them and approves them as laws that the management implements in the interest of the organization.



1.11 Introduction To The Manual

1.11.1 This Finance Manual contains the basic principles, policies, procedures and practices that are to guide CECI's financial operations. The purpose is to ensure that CECI functions in an accountable, effective and efficient manner, consistent with its Articles of Association, mission and core values. The manual is meant to provide all employees with a clear understanding about financial operations of CECI. It includes the "how to do it" as well as the "why we do it". The principles are the concepts which CECI has adopted for undertaking its various activities.

1.11.2 The manual contains policies for ensuring that the highest professional standards are adhered to in the performance of the accounting and auditing functions and that full and clear CECI financial records are maintained at all times. The policies are the reason why we do things the way in which we do; and the practices are how we do things on a day-to-day basis. This manual shall be read in conjunction with the other current Policies of CECI.

1.11.3 The over-riding purpose of the CECI Finance Department is to *monitor and protect the financial and legal health* of CECI. Similarly, the over-riding purpose of each Programme Finance Department must be to monitor and protect the financial and legal health of the programme in conjunction with the Programs Manager and the Executive Director.

1.11.4 The financial health of CECI or a programme is protected if:

- a. It is "living within its means"— i.e. at all stages the financial reports indicate at least a break-even result for the year (for programmes and departments, taking into account the "grant" from **CECI** central funds);
- b. Its internal control is documented and control procedures evidenced;
- c. Its cash and bank balances are within the limits set by the Empowerment Policies;
- d. Its creditors are paid by the due dates;
- e. Its accruals and prepayments are accurately calculated;



- f. The financial reports are prepared to reflect the current and future impact of all known factors, are clearly explained in the narrative pages and are submitted on a timely basis;
- g. All agreements and contracts are documented, recorded and regularly reviewed;
- h. Its local registration is relevant and correct and it complies with local policies (regulations), and employment legislation.
- i. All other **CECI** BOT Policies are complied with – Mission, asset protection, and fund accounting

1.11.5 This policy manual sets out how we can achieve these over-riding aims.

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2.0 GENERAL FINANCIAL AND ACCOUNTING POLICIES

2.1 The CECI financial year shall end on **31 December** of each year.

2.2 Accounting transactions shall be recorded in a professional computerized accounting package so as to enable automated reports and quick reference, and limit errors and potential for fraud. All changes made to entries already made in the accounting software (such as correction of errors, recording of account codes, and any transactions not supported by Payment Vouchers and receipts) shall be properly recorded in a journal voucher and duly authorized.

2.3 CECI shall maintain all substantive financial records (in both paper and electronic formats) in a secure and organized fashion for a period of seven years after the end of the financial year.

2.4 CECI shall ensure an asset register is maintained and quarterly updated and shall appear as an attachment to the quarterly reports.

2.5 Depreciation commences when an item of fixed asset is available for use and ceases in the earlier of date the fixed asset ends to be available for use. Depreciable values/asset values shall be subject to impairment and an impairment exercise be carried out at least once a year, usually in Quarter 4 of the financial year.

2.6 Subject to requirements of the International Financial Reporting Standards (IFRS) and further amendments as may be made from time to time by the Board, CECI shall observe the following depreciation schedule:

a. Buildings	5%
b. Motor vehicles and cycles	25%
c. Computers	33.3%
d. Other equipment and tools	25%
e. Furniture and fittings with a shorter expected use span)	12.5% (may be adjusted for items

2.7 CECI shall prepare annual financial statements in accordance with internationally recognized financial accounting standards, and comply with the International Financial Reporting Standards (IFRS), including historical cost and accrual basis of accounting.



2.8 All CECI account items shall be provided with account codes for ease of recording the account items in the right class of accounts and also ease of identification of the account item and generation of financial reports. These codes shall be developed by the Finance and Admin Officer and each class of accounts should be well spaced to provide room for additions.

Example

Cash and bank	0100 to 0200
Assets	0300 to 0400
Incomes	0500 to 0600
Expenditures	1000 to 5000
Advances	70000 to 8000
Prepayments	10000 to 12000
Receivables	14000 to 16000
Payables	18000 to 20000

2.9 CECI financial statements shall be audited by an internationally recognized independent audit company on an annual basis not later than three months from the close of the financial year.

2.10 CECI shall use the accrual system of accounting to record its transactions

2.11 All CECI accounts shall be prepared taking account of going concern

2.12 DEFINITIONS

2.12.1 **Capital Fund (The):** A designated fund made up of the fixed assets and the funds for the replacement of depreciating assets.

2.12.2 **Depreciating Assets:** *Fixed assets*, which are assumed to depreciate with use. These include vehicles and equipment, but exclude aircraft, land and buildings



2.12.3 **Designated Funds:** *Unrestricted funds*, which have been allocated for a specific purpose by the board or by management. Such funds can be re-allocated – examples are the *Capital Fund* and the *Self-insurance Fund*.

2.12.4 **Fixed Assets:** which are held for and used by CECI and are expected to last for more than one year. Pragmatically, assets costing less than a minimum level are not treated as fixed assets. At the date of this issue assets costing less than \$200 are treated as *revenue expenditure*.

2.12.5 **Operational Funds:** Funds received for and used to fund CECI operations.

2.12.6 **Restricted Funds:** Funds given for a specific purpose. Only the donor can change that purpose. CECI is thus restricted in its use of them and technically holds them in trust on behalf of the donor. Such funds include *fixed assets* bought from restricted funds and cash received but not yet spent. CECI is required to keep separate records of restricted funds and of any *fixed assets* bought with them. Funds given for a project will usually be restricted funds.

2.12.7 **Unrestricted Funds:** Funds which the board and management are free to use in support of CECI's *charitable purpose*, without any restriction by the donor.

2.12.8 **Revenue Expenditure:** Expenditure on consumables and on assets which cost less than the fixed assets minimum level.

2.12.9 **Project Funds:** Restricted or unrestricted funds to meet the cost of a project. These funds are managed at head office under the authority of the Executive Director.

2.12.10 **Programme:** A division of CECI Uganda delivering mission services in a country other than Uganda.

2.12.11 **Department:** A support department acting as part of the central function of CECI.

2.12.12 **Budget holder:** An individual staff member who is responsible for the financial management of a department.

2.12.13 **Fraud:** is the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.



2.12.14 **Accrual Basis** means recognizing a financial transaction in the books of account when goods and services have been consumed/provided but NOT when payment is effected or received.

2.12.15 **Board Chairperson** means Chairperson of the CECI Board

2.12.16 **Board** means policy making body of CECI

2.12.17 **Bona Fide** means genuine

2.12.18 **Donor** means a person/organization that gives or supports CECI financially or otherwise to achieve its aims and objectives.

2.12.19 **Employee** means any person employed by CECI on a contract basis

2.12.20 **Employer** means the Board of CECI

2.12.21 **Historical Cost** means the cost at which an item is acquired

2.12.22 **Impairment** means loss in value of CECI assets

2.12.23 **Leave** means absence from work with or without pay which is authorized by the employer in accordance with the Policies

2.12.24 **Long term Contract Employee** means an employee of CECI working full time with a contract of more than six continuous months

2.12.25 **CECI** in full means Community Empowerment for Creative Innovation

2.12.26 **Management team** means a grouping of the Executive Director and senior managers as may be determined by the Board

2.12.27 **Mutations** means changes

2.12.28 **Organization** means CECI

2.12.29 **Outage means**, in the context of use, power going off.

2.12.30 **Partner** means an organization or other entity with whom CECI collaborates in the pursuit of a common aim.

2.12.31 **Policies** means the Administrative Policies of CECI that have been established by the Board of CECI and as may be amended by the Board from time to time.

2.12.32 **Probation** means the period of initial employment, during which appointment to the position is yet to be confirmed by the employer



2.12.33 **Replenishment** means refilling

2.12.34 **Retire** means accounted

2.12.35 **Supervisor** means an employee responsible for overseeing and supporting the work of subordinate employee(s)

2.12.36 **Vehicles** are machines that move with the help of an engine and include motor vehicles and motor cycles

2.12.37 **Working Day** means a day in which an employee would normally be required to work (i.e. Monday to Friday). A working week has 5 working days

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3.0 FINANCIAL MANAGEMENT STRUCTURE

Position	Delegation/Task
Board of Directors	<p>3.1 Board Chair</p> <ul style="list-style-type: none"> a. Develop and endorse the Financial Management Policy. b. Comply with Financial Management Policy. c. Endorse monthly financial reports, annual budgets and forecasting. d. Endorse annual audited financial accounts. e. Authorise Board reimbursement for expenses. f. Resolution of escalated financial disputes. <p>3.2 Treasurer</p> <ul style="list-style-type: none"> a. Authorised to act on the Board's behalf on financial matters when action is required in advance of a Board meeting. b. Co-authorise funding agreements (as required). c. Co-authorise committee reports and annual audit report). d. Co-authorise Certificate of Compliance (Annual Statement to authority). e. Recommend annual audited finance report to the membership and/or Board at annual general meeting. f. Co-authorise bank audit request. <p>3.3 Secretary</p> <ul style="list-style-type: none"> a. Co-authorise funding agreements (as required). b. Co-authorise Certificate of Compliance <p>3.4 Cheque Signatories</p> <ul style="list-style-type: none"> a. Co-authorise cheques on behalf of the organization (1 cheque signatory + either ED/Manager or [Program Manager].)
Management	<p>3.5 Executive Director</p> <ul style="list-style-type: none"> a. Comply with Financial Management Policy. b. Contribute to development of Financial Management Policy. c. Oversee financial management of the organization. d. Co-authorise funding agreements (as required). e. Approval to incur expenditure on behalf of the organization. f. Authority to hold business credit card for organization related expenditure. g. Authorise contractual relationships (e.g. consultancy agreement). h. Perform responsibilities of Public Officer.



	<ul style="list-style-type: none">i. Co-authorise Certificate of Compliancej. Co-authorise bank audit request.k. Co-authorise management representation letter (annual audit).
	<p>3.6 Finance and Admin Officer</p> <ul style="list-style-type: none">a. Develop monthly, quarterly and annual financial reporting for ED and Board.b. Review budgets, forecasts and annual audited financial accounts and provide recommendation to Board.c. Approval in principle to incur expenditure in ED/Managers absence.d. Authorise Supplier Claim Forms and other expenditurese. Co-authorise cheques on behalf of the Organizationf. Co-authorise management representation letter.g. Process petty cash expenditure.
Staff	<p>3.7 Programs Manager</p> <ul style="list-style-type: none">a. Comply with Financial Management Policy.b. Contribute to development of Financial Management Policy.c. Co-authorise cheques on behalf of the Organization <p>Compliance with Financial Management Policy.</p>

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4.0 FUND MANAGEMENT

4.1 Sources of Income

4.1.1 CECI may realize incomes from the following sources:

- a. Donors and contributors (corporate and individual)
- b. Bank interest and exchange rate gains
- c. Investments
- d. Sales of materials and publications
- e. Provision of consultancy services
- f. Fees and charges for services
- g. Sale/disposal of properties and other assets
- h. Reimbursements for private use of CECI equipment
- i. Fees for Secretarial Services
- j. Other sources that are provided for in the Administration Policies or these regulations or as may be determined by the Board.

4.1.2 CECI may not: -

- a. Accept incomes from entities who are engaged in questionable ethical or harmful practices.
- b. Neither seek nor accept incomes where actual or potential conflict of interest is involved, such as entities where CECI is able to influence decisions or its position may be compromised by its seeking acceptance of funds.
- c. Nor accept income from enemies of the state

4.2 Donor Funds

4.2.1 CECI shall fundraise from donors in relation to its approved overall strategy budget. Donors shall be requested to fund a portion of the overall budget (rather than earmarking funds for certain budget lines). Wherever

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possible, CECI shall seek donor commitments for the entire period of its overall strategic plan. In exceptional circumstances, the Board may authorize fundraising for special activities outside its overall budget; provided doing so can be justified to be in the interest of CECI and the reasons are clearly documented.

4.2.2 CECI shall not accept funding under conditions that compromise its independence of thought, strategy, approach or core values, or that will enable the donor to exercise undue influence over decision-making, or that with **significant** additional reporting demands than those specified in this manual.

4.2.3 Disbursements by institutional donors (and all other incomes) shall be deposited into bank accounts established with the approval of the Board, and never into any individual or any unauthorized accounts. The Finance and Admin Officer shall monitor bank accounts and, after verification of disbursement, promptly issue the respective donor with an official CECI receipt as well as an acknowledgement slip that may be required by the donor.

4.3 Management of Incomes

4.3.1 CECI shall maintain an official receipt book in triplicate that shall be printed and pre-numbered for recording all its incomes. The incomes shall be centralized according to the approved annual budget and funding agreements as applicable.

4.4 Petty cash management

4.4.1 It is the policy of CECI to operate an imprest system that shall be under the responsibility of the Finance and Admin Officer

4.4.2 It is the policy that the amount of cash to be held in the office be reduced to the barest minimum to reduce the risk of fraud or theft.

4.4.3 The cash float to be held should be determined based on the daily cash requirements

4.4.4 The cumulative cash float for the time being shall be **UGX 500,000**. In any event, the cash float shall not be exceeded without the express written authority of the Executive Director of CECI.

4.4.5 The cash float shall not be reimbursed until the balance falls to **15%** of its total. A reimbursement request and a voucher with the attached valid bills, invoices, receipts and the summary account of expenditure have been submitted to the Finance and Admin Officer.

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4.4.6 The total expenditure has been checked and approved per the approval matrix Reimbursement shall not exceed total vouched expenditure per the summary sheet

4.4.7 All individual petty cash vouchers shall be fully attached with all the source documents creating it and must be properly checked and approved before recording it into the accounting system

4.4.8 Any claimant of petty cash shall endorse the relevant section of the voucher to confirm receipt

4.4.9 Petty cash should be used only for small payments and in cases of larger payments where either bank facilities are inaccessible or inadequate or the payee will not accept a cheque; the main cash book shall be used in consonance with this policy.

4.4.10 No single claim shall exceed **UGX 100,000**

4.4.11 The petty cash box should be locked and stored securely when not in use. Only designated custodians of the petty cash should have access to it. At all times, the petty cash box should be kept in a safe.

4.4.12 Petty cash should be counted weekly. On the last day of the month, petty cash must be counted so that expenses can be reported within the month they occurred. Certificate of Cash Balance must be issued after the cash count. .

4.5 Cash In Safe (Main Cash Book)

4.5.1 Due to the nature of operations such as humanitarian response emergence which a project may be involved in rapid implementation, it is important to set out the following additional procedures for the Main Cash Book to account for cash in safe.

4.5.2 A maximum amount of **UGX 2,000,000** would be maintained in safe to meet additional disbursement for materials, transport, allowances, casual labor, and other program activities.

4.5.3 All cash obtained for purposes of materials, casual labor, transport, allowances will be handled separately from routine petty cash transactions.

4.5.4 The Finance and Admin Officer must submit to the Executive Director, activities or programs for which the main cash book could be committed.

4.5.5 The Executive Director must approve all transactions relating to disbursements made from the main cash book.



4.5.6 Separate cash counts will be done, and certificates issued for such counts at the end of the month. Any cash balance on operations will be accounted for in accordance with the policy on accounting for project funds. All fund reimbursed after the activity would be banked immediately after such operations are over.

4.5.7 All the control procedures discussed under petty cash regarding authorization and approval of vouchers, etc, shall apply to all main cash book disbursements.

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5.0 BUDGET AND BUDGET MANAGEMENT

5.1 Budgeting

5.1.1 Budgeting is the process of creating a plan to spend the available money. The purpose of budgeting is to ensure that there is enough money for the things required for the activities planned.

5.1.2 The Board is responsible for developing and overseeing the budget in collaboration with the ED/Manager and the Directors. The Board conducts an annual budget planning process, reviewing actual expenditure against projected financial performance.

5.1.3 The role of budget preparation and presentation to the board for approval, is that of the Executive Director who may delegate this role to the Finance and Admin Officer. The Finance and Admin Officers shall prepare the budget in consultation with the line Managers and the Programme staff.

5.1.4 CECI shall have in place, the **5 years** Strategic plan budget, The Annual Budget, and the Quarterly budget, all at institutional level

5.1.5 Besides, the institutional budgets, there shall be the project specific budgets that feed into the institutional budgets.

5.2 Budget Approval

5.2.1 CECI budgets shall be approved by the Board. These include

- a. The Strategic budget (5-year budget)
- b. The annual budget
- c. The quarterly budgets

5.3 Budgetary Control

5.3.1 Budgetary control is the practice of regularly comparing actual results against expected results. The most important method of budgetary control is variance analysis, which involves comparison of actual results achieved during a period with the budget. The difference between actual results and expected results are called variances and these are used to provide a guideline for control action by management.



5.3.2 Effective budgetary control requires robust, reliable, and relevant financial management reporting systems, which should be able to communicate the results of management action on a timely basis.

5.4 Responsibilities

5.4.1 The administration of budgetary control shall be the responsibility of the Executive Director. However, the detailed work of communicating variance information and co-coordinating control efforts shall be the responsibility of the Finance and Admin Officer

5.4.2 The Finance and Admin Officer shall be responsible for generating from the QuickBooks accounting system or any other accounting system as approved by the Board, monthly reports, analyzing between actual and budget to date, **not later than 14 days after the end of the relevant month.**

5.4.3 The Finance and Admin Officer shall receive comments from the Executive Director on the variances within **7 days of receiving the reports from the Finance and Admin Officer**

5.4.4 The Executive Director shall endorse appropriately agreed control action on the variances.

5.4.5 The Finance and Admin Officer shall ensure that approved control action is implemented within the agreed timeframe.

5.5 Receipts

5.5.1 A receipt book shall be used for receipting all revenues of the organization. It should be pre-numbered and has provision for the name of payee amount paid (both in figures and words), date of receipt, and reasons for the receipt. The pre-assigned numbers shall be the reference numbers for recording in the cash book. Any unused receipt must be left in the receipt book.

5.5.2 The Finance and Admin Officer shall be responsible for safeguarding all receipt books, whose numbers shall be recorded in stock records and whose receipt and issuance shall be clearly recorded. Any loss or theft of receipt books shall be reported immediately to the Executive Director in writing. All receipts shall be accounted for. The Finance and Admin Officer shall mark 'CANCELLED' in bold indelible ink across all three copies of spoilt receipts, and maintain these copies in the receipt book.



5.5.3 Receipts by CECI consist mainly of local cheques and direct transfers from the Donor Agencies' bank accounts into the Secretariat's bank account. All funds received shall be receipted and banked immediately to the respective bank account.

5.5.4 Each cash receipt form will be numbered sequentially, completed in duplicate and contained within a bound receipt book:

- a. The top copy shall be handed or dispatched to the payer.
- b. The second copy shall be attached to the deposit slip and filed
- c. The third copy shall remain in the receipt book
- d. Unused receipt books shall be held under lock and key by the Finance and Admin Officer who will be responsible for issuing them to the designated officer.

5.5.5 All receipts issued shall be checked against deposits by the Finance and Admin Officer for completeness of banking of cash receipts.

5.5.6 Direct credit transfers to the Secretariat's bank accounts should be recorded from the bank statement.

5.5.7 CECI shall bank all cash and cheque receipts intact.

5.5.8 The daily record and receipted bank deposit slips shall be checked by the Finance and Admin Officer to postings into the cash books and filed in a chronological order.

5.6 Payments

5.6.1 Payment process

a. All payments for CECI whether of a capital nature or revenue nature shall follow the procedures laid down below:-

b. A Requisition Form shall be raised for all requests for funds for any expenditure whether capital or revenue. All Requisition Forms shall be duly requested by a specific responsible official in a needy department, authorized by the head of that department and approved by the Executive Director after checking all valid bills, invoices, or source documents that shall be attached to the request.

c. A Payment Voucher shall be raised for all approved Requisition Forms



- d.** The Payment Voucher shall be duly checked by the Finance and Admin Officer, and approved by the Executive Director after examining all the attachments and assuring themselves of their relevance, quality, validity, accuracy, completeness, and whether the items in question have been budgeted for and funds are available.
- e.** If vouchers submitted for payment are not approved, they will not be processed and will be returned to the relevant staff for rechecking and approval.
- f.** All payment vouchers will possess the following qualities:
 - 1.** *Description of the transaction*
 - 2.** *Amount of voucher*
 - 3.** *Name of Payee*
 - 4.** *Appropriate Account Code*
 - 5.** *Appropriate Program/Project Number*
 - 6.** *Appropriate Donor code*
 - 7.** *Appropriate workshop/conference code – in case of major conferences and workshops*

5.7 Payment by Cheque

5.7.1 Once payment vouchers have been approved, a cheque will be prepared

All cheque payments will comply with all the control procedures

5.7.2 The cheque number will be entered in the appropriate space on the payment voucher form.

5.7.3 All payment vouchers shall be stamped **PAID** upon making the payments

5.8 Payment by Letter of Transfer (EFT, RTGS etc)

5.8.1 CECI may make payments by Letter of Transfer. In such cases, all Letter of Transfer Payments will comply with all the control procedures

5.8.2 The Finance and Admin Officer shall prepare the letter and address it to the respective bank Manager clearly indicating the following details:

- a.** Beneficiary Account Name
- b.** Beneficiary Account Number
- c.** Swift Code



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- d.** Correspondent Bank Details
- e.** The Amount to be transferred
- f.** The appropriate signatories to the bank account shall sign the letter of transfer and the payment voucher.

5.8.3 The letter shall be in duplicate, or the endorsed original letter shall be photocopied to be stamped received by a responsible official at the bank.

5.8.4 The original of the letter together with the duplicate or the photocopy shall be sent to the bank. The original shall be left with the bank and the duplicate or the photocopy (stamped received) shall be attached to the payment voucher for filing.

5.9 Payment by Credit Card

5.9.1 CECI policy allows payments by credit card. The Executive Director shall be responsible for managing the credit card. The following procedures shall be followed in such cases:

5.9.2 All Payments by credit card will comply with all the control procedures

5.9.3 The credit limit for all transactions by credit card shall be **UGX2,000,000** or its equivalent

5.10 Payment by Cash

5.10.1 Conventionally, cash payments are not encouraged except for minor payments which are catered for by petty cash.

5.10.2 Where any major payment is required to be made by cash in urgency, an open cheque shall instead be written in the name of the beneficiary.

5.10.3 In cases where a group of people are to be paid in cash, it shall be the policy of CECI to write an open cheque in the name of the Finance and Admin Officer to effect such payment.

5.10.4 In cases such as above, there shall be attached to the payment voucher a detailed list of beneficiaries, the amount per beneficiary and signature acknowledging receipt of payment.

5.10.5 All the above notwithstanding, the Secretariat shall operate an account for cash in safe. All Payments by cash will comply with all the control procedures



5.11 Expenditure Approval Matrix

5.11.1 For all amounts more than or equal to **UGX 9,400,000**, the approval of the Board Chair would be required. Otherwise, all vouchers and cheques must be approved by the Executive Director of CECI

5.11.2 However, in the absence of the Executive Director, the Programme Manager can be delegated to approve to facilitate operational effectiveness, provided the Executive director shall endorse it when next available.

5.12 Work Related Advance

5.12.1 Some transactions may be handled using cash advance by an officer of CECI. The following guidelines will help in using cash advance approach for procurement and payments for example in hard-to-reach areas, or in payments of perdiem, accommodation and transport refunds.

5.12.2 The officer undertaking advance for specified activity/purchase will normally request the Executive Director, using the purchase requisition attached to cash advance form, for the goods/services and also propose a supplier price estimate or Concept note and requisition for cash payments to participants.

5.12.3 If the request is found satisfactory, the Executive Director will approve the payment. After signing a cheque the money will be drawn from the bank and received by the Finance and Admin Officer who will disburse the authorized amount to the officer designated to effect the procurement and payment. The designated officer will immediately effect the procurement and payment. The requesting or other appropriate officer will receive and verify the good/services and approves the delivery.

5.12.4 Accountability documents and a possible balance will be submitted to the Finance and Admin Officer. A receipt will be issued for any balance received from advances. All advances should be accounted for not later than 14 days after the purpose for the advance has been executed.

5.13 Payment Of Salaries And Wages

5.13.1 The pay roll management shall be guided by the following policies:

- a. Only long term contract employees with valid contracts who are working or on authorized absence shall be placed and appear on the

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CECI payroll. Interns, volunteers, consultants, casual labourers, Board members and others such personnel who on interim or temporary engagements with CECI shall not appear on pay roll.

- b. The payroll shall contain and be consistent with the provisions for salaries, benefits and obligations stipulated in the Administration Policies and signed contracts, and authorized amendments of these policies.
- c. The Finance and Admin Officer shall be responsible for maintaining, updating and preparing the payroll each month. This shall include compliance with all legal and tax requirements (and their amendments as may be made from time to time) as well as CECI Policies and Regulations.
- d. All monthly payrolls including all changes, anomalies and differences shall be authorized and signed by the Executive Director.
- e. CECI long term contract employee shall not be paid salary or other related benefits outside the payroll except as provided for in the Policies or Regulations.

5.14 Preparation of Payroll

5.14.1 The Finance and Admin Officer shall prepare a Payroll on a monthly basis before the 21st of every month, either in Excel or by the use of any payroll software that has been checked and approved by the Executive Director.

5.15 The Payroll Shall Be Prepared Monthly By:

5.15.1 Multiplying the attendance hours by employee's rates of pay, to give gross pay for hourly paid employees.

5.15.2 Using the monthly rates applicable for all other employees.

5.15.3 Calculating pay-related statutory deductions from published tables in accordance with regulations contained in Terms and Conditions of Service including advances, loan repayments and other items as shown on individual employee's record.



5.15.4 Calculating the relevant allowances as prescribed in the Terms and Conditions of Service and adding overtime where applicable.

5.16 Payroll Deductions

5.16.1 Income tax (PAYE) shall be deducted from staff salaries, where applicable, and shall be paid to URA Service Centre not later than 15th of the subsequent month. Current tax rates obtained from URA shall be the only applicable rates for PAYE computation.

5.16.2 For all applicable Uganda employees, **5% and 10%** of their basic salary shall be deducted as contributions from the employee and the employer respectively and paid to the Social Security Fund before the **15th of the Subsequent month.**

5.16.3 Where a staff has taken a salary advance, there shall be appropriate deductions to that effect before payment of his/her salary.

5.16.4 The payroll shall have columns/Rows for the following:

- a. Staff Name
- b. Staff NSSF Number
- c. Staff TIN
- d. Staff monthly Basic Salary
- e. Staff 5% NSSF Contribution, where applicable
- f. Staff monthly PAYE tax
- g. Staff Loan/salary Advance Deductions
- h. Staff net salary
- i. Staff 10% Employer's NSSF Contribution

5.16.5 Schedules for Income Tax, NSSF, staff loans shall also be prepared as part of the Excel payroll file.

5.16.6 Any changes in payroll must be done in writing and approved by the Executive Director.

5.16.7 The payroll shall be reviewed by the Finance and Admin Officer and approved by the Executive Director.

5.17 Payment of Salaries

5.17.1 Payroll payment vouchers shall be checked by the Finance and Admin Officer and approved by the Executive Director



5.17.2 Staff salaries shall be paid between **25th-28th day of every month** except in December of each year where payment may be made earlier than 25th of the month.

5.17.3 Wherever practicable payment of salaries shall be done by direct bank transfers on the basis of the details submitted by members of staff to the Finance and Admin Officer.

5.17.4 The Finance and Admin Officer shall write a covering letter to the respective banks authorizing transfer from the Secretariat's bank account to the respective bank accounts of staff.

5.17.5 The covering letter shall be signed by the authorized signatories to the Bank Accounts.

5.17.6 All staff members are required to have bank accounts where payments shall be made to through transfers

5.17.7 For all casual employees, a cheque is prepared and cashed for the total net pay. The money shall then be inserted into individual pay packets.

5.17.8 The Finance and HR Assistant shall prepare monthly pay slips for all staff.

5.18 Salary Advance

5.18.1 The policy of CECI shall allow for advance payment of **50%** staff's net salary before the end of the month.

5.18.2 The policy shall permit staff to apply for salary advance only after they have been in employment for a **minimum of one year**.

5.18.3 Full recovery shall be made as a payroll deduction for the same month in which the advance was given.

5.18.4 The application for salary advance shall be addressed to the Finance and Admin Officer who shall make recommendations on the matter for the consideration of the Executive Director.

5.18.5 The application shall be attached to a payment voucher that shall be authorized by the Finance and Admin Officer and approved by the Executive Director on tangible grounds.



5.19 Leave Commuted to Cash

5.19.1 CECI's policy may make provisions for unutilized staff leave and other entitlements on a yearly basis, based on the percentage of each individual staff member's contracts covered up to the date of the statement of financial position.

5.20 Authorising Expenditures

5.20.1 All CECI expenditures shall have three levels of authorisation. These levels shall be

- a. Requested by
- b. Verified/Checked by
- c. Approved by

5.21 Authorisation of Expenditure for Executive Director

5.21.1 All expenditures for the Executive Director shall be approved by the Board and this function may be delegated to the Finance and Audit Committee Chair by Board Chairperson.

6.0 BANKING

6.1 Bank Accounts

6.1.1 CECI shall operate both local and foreign bank accounts and shall consider the following in selecting its banks

- a. Good local and international reputation and management.
- b. Size of capital base in the country (must meet all Bank of Uganda requirements).
- c. Widespread bank Network in the country.
- d. Adequate links with correspondent banks to facilitate transfer of funds.
- e. Satisfactory rating according to an independent agency.
- f. Quality of services (professional behaviour, internet banking, SMS banking, etc), cheques and payment facilities.
- g. Competitive interest charges.
- h. Competitive interest on deposits.



6.2 Authorized Signatories

6.2.1 The authorised signatories for CECI accounts shall be

- a. Board Chairperson (or delegated board member)
- b. The Executive Director
- c. The Finance and Admin Officer
- d. Programme Manager

6.3 Managing Bank Accounts

6.3.1 The decision to open or close any bank account shall be authorized by the Finance and Admin Officer and approved by the Executive Director. The Finance and Admin Officer shall also maintain a log of all bank accounts opened by the Secretariat.

6.3.2 All the bank accounts shall be reconciled monthly by the Finance and Admin Officer or his/her delegate, reviewed and approved by the Executive Director. Bank reconciliations should be prepared and reviewed within 10 working days after the end of the month

6.3.3 No CECI representatives are allowed or authorized to secure loans, overdrafts, nor to incur deficits in their operations without Board approval

6.3.4 CECI bank accounts are specifically intended for official CECI transactions and should not be used for deposit or payment of personal items.

6.3.5 To reduce the impact of devaluation of the local currency, CECI shall endeavor to keep funds in foreign currency and convert to Uganda Shillings only when needed to spend. Available funds may be kept in interest bearing accounts, if possible.

6.3.6 If the funds are to remain unspent for a reasonable period, CECI may consider investing such funds in term deposits or similar rate instruments.

6.4 Control of Bank Cheques:

6.4.1 Unused cheque books shall be safeguarded in a safe or otherwise under lock and key by the Finance and Admin Officer who may delegate to another officer and a register shall be maintained to record issues. All cheques must be signed for by the receiving officer.



6.4.2 The Finance and Admin Officer shall check all new cheque books to ensure that all cheque leaves are intact when received from the banks. All cheque books and leaves must be issued in numerical order

6.4.3 Cheques shall be drawn only after the voucher and the supporting documents have been properly prepared by the person responsible and duly approved as per the approval matrix

6.4.4 Signed cheques that have not been distributed will be safeguarded under lock and key. Under no circumstances will blank cheques be signed

6.4.5 **Voided Checks:** It is the policy of CECI to maintain voided cheques log and document every cheque that has been voided regardless of the reason. If voided cheques are physically available, they will be stamped “VOID” and filed with the cancelled cheques for that month or stapled to the cheque book counterfoil.

6.4.6 Outstanding Cheques (**Over 3months old**)

- a. It is the policy of CECI to call or write to the payee and inquire whether cheque was received or not.
- b. If the cheque is lost CECI will issue an immediate stop payment and consider issuing a replacement cheque upon verification by the bank that the cheque has not been cashed. If the cheque has been cashed the Secretariat shall initiate investigation to probe the matter to the bottom and take immediate correcting control measures to prevent recurrence.

6.5 Bank Reconciliation Statements

6.5.1 It is CECI's policy to have bank reconciliation statements prepared monthly.

6.5.2 Bank reconciliation statements will be prepared by the designated finance staff.

6.5.3 The completed bank reconciliation statements and documentation of voided cheques shall be reviewed by the Finance and Admin Officer.

6.5.4 The reconciled statements shall be checked by the Finance and Admin Officer and approved by the Executive Director .

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6.6 Guidelines for Preparing Bank Reconciliation Statements

6.6.1 Bank reconciliation statements shall be prepared within 10 working days after the end of the month.

6.6.2 The ending date of the bank ledger and the bank statement should be the same.

6.6.3 The bank name, account number, and currency should be clearly indicated.

6.6.4 Bank reconciliation should be prepared by someone who does not authorize disbursements.

6.6.5 The Finance and Admin Officer reviews and endorse the reconciliation

6.6.6 The Executive Director shall approve the reconciliation statement.

6.6.7 The bank reconciliation should include a copy of the balance per the accounting records (the ledger balance) and a copy of the bank statement when it is presented to the Finance and Admin Officer for review and endorsement.

6.6.8 All cheques not cashed after **3 months (90 days)** from the date of issue should be investigated by the Finance and Admin Officer. With the consent of the Finance and Admin Officer, stale cheques should be written off immediately they become invalid.

6.6.9 Any unexplained difference between the bank statement and the accounting records should be promptly investigated by the Finance and Admin Officer with the express approval of the Executive Director.

6.6.10 Where the reconciling item requires an adjustment to the accounting records, a journal voucher should be used, and the reference for the subsequent adjustment should be noted on the reconciliation.

6.6.11 Where the bank has made an error, documentation should be obtained from the bank giving the explanation and the adjusting entry made. Copies of this notice should be attached to the bank reconciliation.

6.6.12 The reconciliation must contain complete descriptions of the reconciling items:

- a. Copy of the General Ledger page showing the cash book balance
- b. Complete list of outstanding cheques, including dates



- c. Copy of the summary of deposits and record of all transfers
- d. The original bank statements
- e. Originals of all bank statement enclosures, i.e. debit and credit memos and advices, transfers advices, etc.
- f. Any other documentations and working papers

6.6.13 Bank statements covering a financial year should be filed together with the bank reconciliation statement.

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7.0 CASH MANAGEMENT POLICY

7.1 CECI distinguishes cash payments under the following procedures:

- a. Petty cash transactions
- b. Bank transactions
- c. Other transactions

7.2 Petty Cash Expenditure

7.2.1 The general principle is that expenses and incomes are handled as much as possible through the bank. Therefore, only petty expenditures and receipts (except income) as well as exceptional emergency payments will go through the petty cash. As a general rule no expenditure or receipt of over **UGX 200,000** should be handled through the petty cash.

7.2.2 CECI shall maintain petty cash funds at its offices to enable efficient payment of small expenditures for which cheque payment is not practicable. All cash transaction must be entered in a manual cash book daily by the Finance Assistant or Accounts staff who will issue a petty cash reconciliation form to verify the cash amount in the safe and will be signed if found correct, for observation and certification by the Finance and Admin Officer

7.2.3 In the interest of safety, overall petty cash funds (float) shall be limited to Uganda shillings five hundred shillings (**UGX 500,000**) only and this amount may be adjusted depending on the evaluation of the petty expenditure pattern over a period of time by the Finance and Admin Officer. Petty cash limits for different projects shall be determined on a need basis.

7.2.4 All requirements regarding expenditures noted above and elsewhere in CECI Policies and Regulations shall apply in effecting payments from the petty cash fund. No payment shall be made that is not consistent with these requirements.

7.2.5 The maximum limit for any payment by petty cash shall normally not exceed **UGX 200,000**. Payments above this amount shall normally be made by cheque. Any exceptions to this requirement shall be exercised only rarely where the Executive Director determines it to be in the interest of CECI, provided that reasons for the exception are clearly documented.

7.2.6 Petty cash funds shall be retired at the close of each month and more often if necessary. The Finance Assistant shall strive to ensure retirements are lodged in good time before amounts run out so as to minimize disruption.



Replenishment shall only be done after satisfactory retirement of petty cash expenditures and shall be for an amount equivalent to the value of the total satisfactory retirement. Replenishment of petty cash shall not exceed fund limits specified above.

7.2.7 Replenishment requisition for petty cash funds shall be prepared by the Accountant, verified by the Finance and Admin Officer and approved by the Executive Director. Replenishments shall not be done where there are outstanding queries or problems with any substantial expenditure in the retirement.

7.2.8 Petty cash funds shall be segregated from other funds and kept in the custody of the Finance Assistant in a locked safe and shall be responsible for its safekeeping.

7.2.9 Petty cash funds may not be used or loaned for any purpose other than as specified herein. The Accountant shall arrange to conduct periodic 'spot checks' of petty cash balances. Any discrepancies shall be noted in writing and brought to the attention of the Executive Director.

7.2.10 All petty expenditures MUST be authorized by the Executive Director.

7.2.11 The petty cashier may spend up to **UGX 200,000** without prior authorization of the expenditure by the Executive Director, but later this **MUST** be presented to the Executive Director for approval. The Finance and Admin Officer may in the absence of the Executive Director authorize an expenditure of **UGX 200,000** to be paid through the petty cash; however this **MUST** be presented to the Executive Director for approval.

7.3 Bank Transactions

7.3.1 Most payments/receipts will be handled through the bank. A bank account will be opened after approval of the Management. The bank account should be in the name of CECI. Authorized signatories are the Executive Director, Finance and Admin Officer, Programs Manager, and the Board Representative. In the absence of one of the signatories, the bank should be notified in writing and a decision made on the signatory. **The signatories can only be changed after a written approval by the Board. All three authorized signatories must sign a cheque.**

7.3.2 Cheques are always crossed in order to ensure that the cheque is deposited except for petty cash replenishment and exceptional cases.



7.3.4 At the end of every month the bank will issue a bank statement on the basis of which the Finance and Admin Officer prepares a bank reconciliation statement which indicates the balances of total receipts together with the opening balance less all the cheque payments. Discrepancies must be explained (for example, a cheque is handed over but not cashed yet by the payee) this form will be certified by the Executive Director.

7.3.5 Unless with authorization from the Executive Director, no postdated cheque shall be received by the Finance and Admin Officer.

7.4 Per diem

7.4.1 For purposes of this policy, Per diem shall cover the cost of accommodation, meals, laundry. The cost of transport between towns, doing fieldwork and other expenses directly necessary for undertaking officially assigned duties shall be additional to the Per diem. The payment of the Per diem shall be guided by the following: -

7.4.2 Where delegates are expected to stay in a particular accommodation or where concessionary rates have been negotiated by the organizers with particular accommodation, employees shall normally be expected to stay at such a location, and in this case costs for such will be covered instead of Per diem.

7.4.3 An employee travelling on duty and does not spend a night out but is required to be out of station for five or more consecutive hours shall be eligible to receive a flat Safari Day Allowance where no meals are provided.

7.4.4 When accommodation and meal costs of an employee traveling on duty outside Uganda are paid directly by another organization the employee shall be eligible to receive a flat stipend per international visit per trip to cover purchase of appropriate clothes, personal communication and other incidentals/out of pocket costs, provided a similar provision is not provided for by the organizers or other entity.

7.4.5 Per diem and all rates as explained above shall be based on careful estimates of actual costs of staying at a reasonable, clean and safe hotel, and not treated as an avenue for enhancing employee incomes.

7.4.6 Per diem and other allowance rates (and the basis of their calculation) shall be proposed by the Accountant based on survey of costs for the type of hotels and determined by the Executive Director after taking into



consideration the advice of other members of the Management team. Perdiem shall be fully accounted for by duly filling a perdiem form.

7.4.7 The following Per diem rates shall apply and are subject for revision from time to time as the need shall arise. The reviewed rates shall be approved by Board before implementation.

Officials	In Uganda (UGX)	Regional (\$)	International (\$)	Safari Day Allowance (UGX)
Board of Directors	150,000	150	250	20,000
Executive Director	100,000	150	250	20,000
Core Staff	100,000	150	250	20,000
Support Staff	50,000	150	250	20,000

7.4.8 Where employee is on duty outside duty station for five or more hours and is not spending night out, s/he will be paid flat rate of **UGX 20,000**.

7.4.9 In exceptional cases where it is not possible to cover reasonable costs at the established rates above, employees may explain the circumstances in writing and claim to be reimbursed for the difference in costs against actual receipts.

7.4.10 Where there is lack of clarity in the interpretation of these provisions the Executive Director shall seek the opinion of the employee concerned and of the Finance and Admin Officer and take both viewpoints into consideration before making a final determination that is fair and consistent, provided that the decision and reasons for it are for better functioning of CECI policies.

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8.0 ACCOUNTING RECORDS

8.1 Source Documents

8.1.1 A source document is the original document that contains the details of a business transaction. Source documents are critical as evidence that recorded transactions actually occurred. A source document is also used by companies as proof when dealing with their business partners, usually in regard to payments. Examples of source documents are cancelled checks, credit memos, deposit slips, expense reports, invoices, material requisition forms, purchase orders and sales receipts.

8.2 Books of Accounts

8.2.1 THE main books of accounts and other financial documents that shall, from time to time, be maintained by CECI include the following:

- a. Cash Book
- b. Receipt Book
- c. Ledger Book in Soft and Hard copy
- d. Assets register
- e. Payment voucher
- f. Requisition forms
- g. Invoices
- h. Journal
- i. Local Purchase Order
- j. Good Received Note

8.3 The Cash Book

8.3.1 CECI uses both computerized and manual cash books. The main records in the Cash Book are:

- a. All revenues received to be debited under the relevant revenue items
- b. All expenditures to be credited under expenditure heads



- c. All cash withdrawals from the bank and cash deposits into bank account must be contra-entered in the cashbook
- d. All other receipts to be debited under the relevant fund codes, and
- e. All other payment to be credited under the relevant cost center codes

8.3.2 All the debt entries must be supported by receipts while all credit entries must be supported with expenditure vouchers and other relevant documents for justifying the expenditure.

8.3.3 At the end of the month, a bank reconciliation statement should be prepared using the CECI bank reconciliation statement format after adjusting the cashbook so that the items of reconciliation are clearly seen

8.3.4 Bank reconciliation statement shall be verified by Executive Director

8.4 Petty Cash Book

8.4.1 This is used by the imprest holder (preferably the Accountant) to record all transactions paid from petty cash.

8.4.2 The recording to this cash book shall be for all petty expenditures as determined.

8.4.3 The management of the petty cash shall be checked regularly by the Finance and Admin Officer.

8.4.4 The level of petty cash shall be set and periodically reviewed by the Board of Director.

8.4.5 Any payment above **UGX 200,000/=** shall be paid by cheque. Any deviations from this shall be approved by the Executive Director/Board Chairman.

8.5 Receipt Book

8.5.1 This is for receipting all the revenues of CECI. It should be pre-numbered and has provision for the name of payee amount paid (both in figures and words), date of receipt, and reasons for the receipt. The pre-assigned numbers shall be the reference numbers for recording in the cash book. Any unused receipt must be left in the receipt book.



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8.6 Ledgers Book

8.6.1 This will be electronically maintained and will contain all the accounts of CECI

8.7 Asset Register

8.7.1 This shall be used for keeping record of all fixed assets of CECI. The procedure for recording in this book is set out under part four **(13.2.1 to 13.2.6)** on fixed assets management in this manual.

8.8 Payment Vouchers

8.8.1 CECI shall maintain Payment Voucher (PV) books that are in duplicates, printed and pre-numbered or manually assigned reference numbers.

8.8.2 All the expenditures of CECI shall be made on properly approved expenditure voucher; name of payee including the signature; date of payment; voucher number; amount paid (both in words and figures); purpose of payment and signatures of authorities for payment.

8.8.3 An individual shall not approve his or her own expenditures. Superior or same level personnel shall approve such expenditures.

8.8.4 The voucher is supported by approved requisition, local purchase order (LPO), invoices, delivery notes (DN), goods received note (GRN), etc, (where necessary) to justify the expenditure and shall be stamped paid.

8.8.5 The expenditure vouchers must be filed chronologically as they are posted in the cashbook.

8.9 Requisition Form

8.9.1 This shall be filled in duplicates for initiating the need for goods/services by users of the goods/services.



8.10 Invoices

8.10.1 These are required where the organization has performed some duties/been contracted by another organization and has not been paid. The invoice reminds the debtor of his/her obligation to pay the outstanding amount. The invoice shall be pre-numbered and prepared in duplicates

8.11 Journals

8.11.1 Used for posting opening entries to a new period, for correcting errors and posting transactions that can not immediately be entered into ledger accounts (e.g. adjusting entries, retirement of cash advances etc).

8.12 Local Purchase Order

8.12.1 This will be used for placing orders to local suppliers of goods and services. It is a document used when requisition for procurement and payment for goods and services has been approved by the Executive Director. It is only used when the value of goods and services to be procured and paid for is above **UGX 300,000**.

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9.0 ACCOUNTING SYSTEM

9.1 Manual Accounting Software

9.1.1 CECI shall use manual cash books and excel to record transactions

9.2 A Computerized Accounting System

9.2.1 CECI shall maintain consistency of its financial reporting structure by utilizing a professionally developed chart of accounts structured alongside the QuickBooks accounting software.

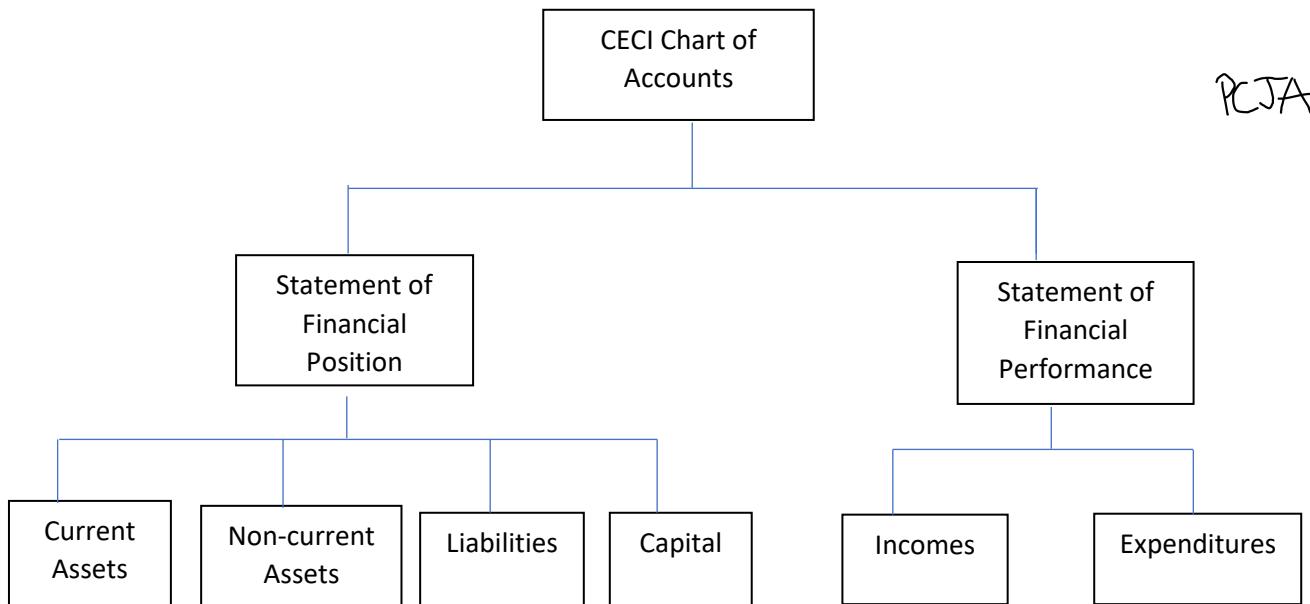
9.3 Chart of Accounts

9.3.1 A chart of accounts is a list of financial accounts set up, usually by an accountant for an organization and available for use by the bookkeepers for recording transactions in the organization's general ledger

9.3.2 In the event that new accounts are required to be added to enhance financial reporting or meet specific donor requests, the Finance Manager **shall** notify the Executive Director for approval on the additions/modifications.

9.4 Classification Of Accounts

9.4.1 Below is a diagrammatic representation of CECI's Chart of Accounts that shows the different classification of accounts that shall be updated with additions and modifications whenever it becomes necessary to do so:





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9.4.2 Management **shall** review on an annual basis the use of the accounting software to ensure it meets the reporting requirements of CECI. Any Changes to the accounting software **shall** be documented and the reasons approved by the Executive Director and the Board.

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10.0 FINANCIAL REPORTING

10.1 CECI shall provide one set of comprehensive reports in a uniform format to Board at a commonly agreed time as follows:

- a. comprehensive/analytical annual narrative report of high quality and independently **audited financial report by 31 March of the following year**
- b. Progress brief and budget vs. expenditure reports (Quarterly and Annually)

10.2 In the interest of transparency and to provide a 'full picture view' the reports shall be comprehensive and provide summary information on all the activities, incomes and expenditures of CECI. **The Executive Director shall forward these reports to donors normally after the Board has reviewed and approved/endorsed them.**

10.3 These will take two forms; the figurative and the narrative. These are prepared periodically and used as a management tool for decision making.

10.4 The most important statements are:

10.4.1 **Trial Balance:** this gives the cumulative balances of accounts as at reporting period

10.4.2 **Income and Expenditure Statements:** this gives the income and expenditure relating to the period of report but also clearly indicates whether there was a surplus or deficit during the period. It is also prepared monthly, quarterly, and cumulatively

10.4.3 **The Balance Sheet:** this explains the state of affairs of the organization and is easy to extract a number of interpretations about the organization's performance. It can be prepared quarterly or annually

10.4.4 **Receipts and Payments Statement:** at the end of the month, the cash holder will draw a receipts and payments statement. The receipts and payments statement will display

- a. opening balances (both cash at hand and in bank)
- b. receipts according to each revenue sources
- c. expenditure according to each expenditure budget item
- d. book balance



- e.** funds in cash/balance
- f.** discrepancies

10.4.5 Budget Performance/Variance Analysis Statement: this will show the actual expenditures against the budget. It will be prepared monthly to guide on the use of funds within the budget; quarterly to check on quarterly budget performance and annually to show annual performance. CECI allows a ± 10% variance on a budget line.

10.4.6 Narrative Financial Report: this will provide explanatory notes on the variance analysis bringing out the reasons why a particular budget item has been over/under spent.

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11.0 AUDIT

- 11.1 To satisfy the financial reporting requirements of the Country, the organisation's Constitution, and International Accounting Standards as they apply to a non-reporting entity, CECI will employ an accredited independent auditor to prepare Special Purpose Financial Statements.
- 11.2 The appointment of an auditor is recommended by the Board Treasurer or the Finance and Audit Committee (FAC) and ratified by the membership at a board meeting or the annual general meeting.
- 11.3 In accordance with the CECI's Articles of Association (article) **the Board shall annually appoint an auditor to audit the final accounts for the year** and the result shall be discussed in their first quarter meeting.
- 11.4 To ensure that CECI's overall financial statements are audited annually by independent auditors, CECI shall endeavor to include in its annual budgets to donors a percentage contribution by the donor towards the audit costs. The percentage contribution shall be determined by the Finance and Admin Officer.
- 11.5 CECI's Treasurer or Finance and Audit Committee Chair shall quarterly conduct an internal audit of financial records to strengthen the accounting and internal control procedures of the organization.
- 11.6 **The Finance and Administration Officer is responsible for overseeing the audit process. The ED and Board Treasury provide a duly authorised Bank Audit Request and Management Representation Letter to the auditor.**
- 11.7 The ED recommends the approval of the audited financial report for ratification by the Board. The Board Chair and Treasurer authorise the audited financial report on behalf of the Board. The audited financial report is presented to the membership as part of the Annual Report for ratification at the annual general meeting.

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12.0 PROCUREMENTS

12.1 Generally the procedure for procurement and payment; takes into consideration a proper control system for verifying the legitimacy of procurement and payment and separation of functions. The procurement and payment procedures must adhere to the following guidelines: -

12.2 All procurement undertaken by CECI shall be consistent with all CECI Policies and regulations and good procurement practice.

12.3 Procurement and payments shall only be made for bona fide expenses that further CECI objectives.

12.4 As a matter of budget control, procurement and payment should be sanctioned by means of an approved budget if not separately approved by Board or its representative. It must be authorized by the Executive Director before being effected. Authorization should as much as possible be delegated to other authorizing officers (where applicable) provided that they have the required capabilities and proper control procedures are in place. Authorization levels should be clearly set for each authorizing officer

12.5 Any procurement and payment for goods and services must be budgeted for; no procurement and payment of goods or services not earlier budgeted for shall be done unless an emergency arises which must be approved by the Board.

12.6 Procurement and payment procedures should include a proper survey and analysis of price, quality, delivery conditions, reliability of supplier and other practicalities (maintenance, availability of spare parts and evaluation of quotation to select the most suitable taking into consideration the possibility of discount).

12.7 Procurement Levels: the following procurement and payment levels and procedures should be observed:

12.7.1 For goods and services less than **UGX 800,000/-**, purchase requisition is raised by the user, once approved and authorized, can be given to the Finance and Admin Officer or accounts staff who proceeds to collect the items from suppliers. All necessary documents to justify the purchase should be attached; and verify the goods/services that they conform to the specifications in purchase requisition form, and then the Finance and Admin Officer proceed to prepare payment for the goods. In as much as possible, **all procurements shall be done within**



pre-qualified service providers. Any procurement outside prequalified service providers must be justified in writing.

12.7.2 An item between **UGX 800,000/= and UGX 9,400,000/=** needs three quotations from different prequalified suppliers. A procurement committee shall be constituted by management to evaluate the quotations collected and a suitable supplier selected. Prequalification will be done annually and the procedure is to be documented and filed including a written justification of the eventual choice of a supplier.

12.7.3 Where three quotations can't be raised, management procurement committee shall document in minutes the reason and steps taken.

12.7.4 For procurement of goods and services over **UGX 9,400,000/=** a Board member or its authorized representative shall be part of the procurement committee and such procurement shall be authorized by the Board Chair or his or her authorized delegate. It will select from three quotations of prequalified service providers based on competitive bidding. In so doing, they will observe the laws of the government of Uganda governing the Procurement and Disposal of Public Assets Act.

12.7.5 Payments shall be made on a timely basis and without undue delay so as to maintain good relations with suppliers. Where goods/services have been satisfactorily delivered and all requisite documentation adequately lodged by the supplier, officers responsible for processing payment shall strive to ensure payment is effected as soon as possible and no later than two weeks from the date when the satisfactory demand for payment was received.

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13.0 ASSET MANAGEMENT

13.1 General Office Policies Regarding Assets

13.1.1 All staffs are responsible for helping to maintain a pleasant, safe and professional work environment in CECI premises. Each employee is responsible for keeping personal work areas neat and cleaning up common work areas after use

13.1.2 Each employee is responsible for ensuring that CECI property and assets entrusted to him/her is properly used and safe guarded

13.1.3 Only designated CECI employees and other authorized persons may use CECI equipment or vehicle unless otherwise approved by the Executive Director

13.1.4 All staffs are responsible for making sure that the office, equipment, vehicles and other valuables are properly secured. This includes making sure that windows, doors are locked, equipment stored safely, cash is properly secured and vehicles parked in safe location

13.1.5 In the interest of energy conservation and avoidance of potential fire hazards, staff should ensure that all lights and electrical equipment are properly turned off before leaving the office

13.1.6 The Executive Director is responsible for instituting and maintaining a proper system for: -

- a. A registration system of fixed assets
- b. Instruction for control and use of organization assets

13.1.7 **Closing-up:** The office guard checks the office each evening after all staff have left for the day and makes sure that all doors are securely locked.

13.1.8 Instructions for fixed assets register, organization of assets and their use are set out in the following parts: -

13.2 Fixed Assets Register

13.2.1 CECI groups the fixed assets into four categories



- a. Buildings
- b. Means of transport
- c. Furniture and equipment
- d. Computers

13.2.2 Small office equipments like stapling machine and as well as kitchen ware with value less than **UGX 500,000** can be expensed off. However, all furniture and other durable valuables such as electronics, among others, should be included in the register.

13.2.3 The Executive Director is respectively responsible for an adequate registration of the fixed assets. This responsibility is normally delegated to the Finance and Admin Officer who is to maintain a fixed assets register. Mutations of the fixed asset register are based on documentation approved by Board. Each year the Executive Director is to check the presence and condition of the fixed assets, which is to be witnessed by a **stock taking report**. Deviations are to be mentioned and explained. The inventory list gives the following details about the asset:

- a. Date of the update
- b. Name of the asset
- c. The quantity of the asset
- d. Item description including, if applicable, serial number/chaise/engine, etc
- e. Registration number or identification code (engraved or painted on the asset especially for furniture's, fixtures, equipment, vehicles and computers)
- f. Date of purchase according to the entry date in the books
- g. Payment voucher number and if available, the invoice number
- h. Purchase value in shillings
- i. Additions and disposals
- j. Net book value in shillings according to the life expectancy and depreciation percentage (calculated using straight-line method) as follows:

1. Buildings	5%
2. Motor vehicles and cycles	25%



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3. Computers	33.3%
4. Other equipment and tools	25%
5. Furniture and fittings	12.5% (may be adjusted for items with a shorter expected use span)

k. Other remarks stating additional information about the asset

13.2.4 Depreciation is to be calculated assuming a residual value and immediately when the asset is put to use. The depreciation for an item purchased and put to use shall be calculated for the remaining months of the year from the date the item is put to use. However, depreciation shall not be charged for the year when an asset is disposed.

13.2.5 In compiling and updating the fixed assets register the following should be noted:

- In case of accessories or components which were never invoiced separately, list them with main item and total value to be given. This applies for example to computers (mouse, cables, systems etc)
- Costs of transport, insurance and clearances in respect to the purchase are to be included in the purchasing value

13.2.6 The fixed assets register is to be entered in a spreadsheet and to be updated every quarter in the quarterly report, if necessary. However **depreciation only has to be calculated by the end of the year when submitting the annual report.**

13.2.7 By the end of each year the fixed assets register is to be reconciled with the books of accounts.

13.3 Use of Assets

13.3.1 The following will guide the use of CECI assets:

a. Office Equipment:

A.1 All equipments available within CECI reach are meant to be used for CECI business and should be handled with care. In case of any problem notify the Finance and Admin Officer.



Member Organizations and Partners will occasionally need to use CECI office equipment (computer, phone, fax, e-mail and copier), especially when finalizing proposals. Partners must only use CECI office equipment for CECI related business and should always ask permission from the Executive Director.

b. Computers:

1. Computers are available for staff use in each of the CECI office room. No one should use CECI computer unless they know how to use it properly. Any questions about basic computer operations should be addressed to the Finance and Admin Officer. Computers should always be switched off at the end of the day and or when there is a power outage, by the person who has been using the computer
2. **Individual staff members are responsible for making back up copies of their own files.** It is recommended that daily or weekly backups are made of important files and that copies are kept off the premises in case of theft or fire.
3. An anti-virus must be installed on each of the CECI computers. The Finance and Admin Officer should update the virus definitions on all computers at least after every two weeks. Although the anti-virus software should be set to automatically detect viruses when opening files, any external storage device brought into the office from outside sources should still be checked for viruses before the files on the device are opened.
4. Should any computer problems be encountered, please inform the Finance and Admin Officer immediately. Do not attempt any repairs unless you are technically qualified to do so. The Finance and Admin Officer is responsible for arranging for maintenance and repair of computers and other equipments

c. Office vehicle

- 1) The Finance and Admin Officer is responsible for scheduling vehicle use, and ensuring proper operation and maintenance of the vehicle. The CECI driver reports to the Finance and Admin Officer.



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- 2) CECI vehicles are for use on CECI business only. No personal use of CECI vehicles is permitted except in an emergency situation or with written permission from the Executive Director.
- 3) Only people working directly on CECI business are allowed to travel in/on CECI vehicles.
- 4) CECI vehicles are only to be driven by CECI staffs who are designated drivers. Should there be an emergency out in the field, only CECI staff with valid driving license should drive CECI vehicle.
- 5) CECI car shall carry only maximum number of people legally allowed and indicated in the log book to ensure all are comfortably seated. Seatbelts should always be worn.
- 6) Dropping staff home after field work is permitted if it does not mean that the driver has to work longer hours.
- 7) Car keys must be locked in the office out of office hours.
- 8) Neither the driver nor the passengers can drink alcohol in CECI vehicle

All staff must be familiar with this policy and abide by it

d. Request for vehicle

- 1) For official use, staff must request use of CECI vehicles in advance as much as possible. Requests should be made to the Finance and Admin Officer who will prepare and keep a travel schedule (this can effectively be done with the help of work plans). For private use of CECI vehicles, requests should be made to the Executive Director. Private use of CECI vehicle shall be allowed on emergency cases affecting staff like: -
 - a. Sickness
 - b. Wife of a CECI staff who is to deliver and
 - c. Death
- 2) These emergency cases are applicable to the spouse, biological children, close dependents, biological parents and or guardians where the biological parents are not there of CECI staff.

e. Kilometer logging

The kilometer log kept in the CECI vehicle must be filled in after every trip. This log includes the date, destination and passengers,



beginning kilometer reading on the odometer and ending reading for the trip.

f. Checklist

The driver is responsible for checking the vehicle fuel and oil level each morning. S/he should also check the odometer reading against the log and make sure the vehicle is clean inside-out

g. Maintenance and repairs

The CECI vehicle shall be serviced in a designated garage and according to the manufacturers recommended service schedule (generally **every 5,000 km**). The driver should inform the Finance and Admin Officer of any repairs that are needed. A purchase request should be prepared and approved before any repair work is done. The original of the purchase request is given to the garage and a photocopy kept for attachment to payment documents.

h. Vehicle insurance

CECI vehicle MUST be insured for damage, theft and third-party liability. If the vehicle is involved in any accident or is stolen, the Finance and Admin Officer MUST be informed immediately. S/he will then immediately inform police and contact the insurance company. It is the responsibility of the driver to ensure that photocopies of all relevant vehicle documents (Insurance certificate, log book etc) are kept in the vehicle at all times.

i. Motorcycles

1. Only authorized personnel who possess a valid motorcycle license and have completed appropriate training shall be eligible to operate motorcycles owned or leased by CECI.
2. Authorization to use a motorcycle shall be granted in writing by the FAO, Executive Director, or designated personnel.
3. Authorized personnel shall adhere to all applicable laws, regulations, and safety guidelines when operating motorcycles.

j. Motorcycle Maintenance

1. Motorcycles owned or leased by CECI shall be regularly inspected and maintained in accordance with manufacturer recommendations and local regulations.



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2. Authorized personnel shall report any mechanical issues or damage to motorcycles immediately to the FAO.
3. Unauthorized modifications or alterations to motorcycles are strictly prohibited.

k. Safety when Operating Motorcycles

1. All authorized personnel shall wear appropriate personal protective equipment (PPE), including a DOT-approved helmet, eye protection, gloves, long pants, and closed-toe shoes, when operating motorcycles.
2. Riding under the influence of alcohol, drugs, or any other impairing substance is strictly prohibited.
3. Motorcycles shall not be overloaded or used to transport passengers or cargo beyond their rated capacity.
4. Speed limits and traffic laws shall be strictly followed at all times.
5. Motorcycles shall not be used for stunts, racing, or any other dangerous activities.

l. Motorcycle Insurance

1. Motorcycles owned or leased by CECI shall be adequately insured for liability, comprehensive, and collision coverage.
2. Authorized personnel shall report any accidents or incidents involving motorcycles immediately to the FAO and follow CECI's incident reporting procedures.

m. Motorcycle Storage

1. Motorcycles shall be stored in a secure location designated by CECI when not in use to prevent theft, vandalism, or exposure to harsh weather conditions.
2. Motorcycles shall be parked in CECI's designated parking areas and secured with locks or other security measures as appropriate.

n. Motorcycle Record Keeping

1. CECI shall maintain records of all motorcycles owned or leased, including registration, insurance, maintenance, and authorization documents.
2. Authorized personnel shall maintain records of their motorcycle training, licenses, and authorizations.



14.0 STATUTORY REQUIREMENTS

14.1 CECI shall adhere in all its operations to all statutory requirements. These requirements include Filing returns with URA, NSSF, WHT

14.2 Registration with national bodies like NGO Board, Subcounty, Financial Intelligence Authority

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15.0 FRAUD/CORRUPTION AND RISK MANAGEMENT

15.1 This part explains fraud/corruption and risk management, early warning signs of fraud/corruption and the safeguard to avoid fraud/corruption.

15.2 Definition

15.2.1 Fraud is an action or an intentional omission or commission of information coupled with an element of deception that enables someone to receive benefit directly or indirectly, financial or non-financial at the expense of unsuspecting individual seeking services or goods from a public office.

15.2.2 Risk in the context of this manual, is the probability that actual use of the resources may not be as fore-planned

15.3 Fraud/Corruption

15.3.1 The warning signs of potential fraud

- a. Cash disbursement made without proper authorization
- b. Missing documentation for cash disbursements
- c. Altered documents with poor supporting explanations
- d. Lack of proper fair-price documentation for purchases
- e. Conniving with suppliers to Inflate prices
- f. Excessive voided cheques or refunds
- g. Poor internal controls and checks
- h. Individuals who have close associations with suppliers
- i. Private work done from project funds



15.4 Action To Take Once Fraud Has Occurred

15.4.1 Immediate and appropriate disciplinary action shall be taken that may include:

- a. Suspension of the staff pending investigations into the matter
- b. Termination of staff contract if found guilty
- c. Legal prosecution. Taking the concerned staff to courts of law
- d. Demand for reimbursement (payback) of the amount once determined

15.5 CECI Policy On Fraud/Corruption

15.5.1 CECI's core value is zero tolerance to corruption. Therefore CECI will not accept any fraud/corruption within its organization, among its partners and in any public office. Any individual or legal person involved in any corrupt tendencies shall be reported to the concerned offices (police, IGG and others) and legal action taken against them. Any resources, material, financial or otherwise lost in cases of proven fraud/corruption involving staff or members organization will be claimed for refund either voluntary or by court of law.

15.5.2 CECI shall keep the old accounting records such as cash book, ledgers, voucher, assets register, stock register and vehicle log book etc. for at least ten years. After the audit is over, the documents are then put in boxes, labeled and kept safely in a store.

15.5.3 To minimize corruption/fraud, CECI shall ensure that all staffs are clear on the organizations policies. CECI shall implement, through orientation of all newly recruited staff and encouraging staff to regularly read and adhere to the policies.

15.5.4 CECI shall encourage all the staff to live-up to and demonstrate the organization core value in all their actions and decisions.

15.6 Risk Management

15.6.1 Risk management is the process to mitigate (lessen) risks.



15.6.2 Some of the risks to resources include: -

- a. Motor vehicle accidents
- b. Serious damage to motor vehicle due to failure to undertake preventive maintenance
- c. Damage to equipment, computers, building and other tools as a result of electric short-circuit.
- d. Theft of organization resources by unknown people
- e. Loss of computer information due to soft-ware virus and other calamities

15.6.3 How to mitigate risks:

- a. Undertake preventive maintenance of vehicles and equipment as recommended in operational manuals.
- b. Regular checking of the electrical wiring and always switch off appliances and unplug from the sockets
- c. Installing speed-governors on the vehicles and driving defensively
- d. All office doors locked after office hours and security guard must be in the premises at all times and alert
- e. Back-up all files and keeping it away in a safe place

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16.0 VALIDITY OF THE MANUAL

16.1 The policies in this manual shall become effective immediately upon issue and shall replace and supersede all previous policies and practices that have been effective hereto.

16.2 Where there is a conflict between the provisions of these policies and any other financial policy, contract, regulation, procedure, guideline or other instruction issued prior to these policies and authorized amendments made to them from time to time shall prevail;

16.3 Notwithstanding, CECI constitution prevails over all other policy documents of CECI.

16.4 Revised and Approved by the Board of Directors on **November 3, 2023** and signed on its behalf by:

Sign:

Name: **Patrick Chandiga Justine Abure**

Title: Co-Founder and Board Chair

Date: November 3, 2023

16.5 Witnessed by:

Sign:

Name:

Title:

Date: