

WOMEN ENVIRONMENTAL PROGRAMME (WEP)



FINANCE AND ACCOUNTING POLICY

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FINANCIAL AND ACCOUNTING POLICY
POLICY

SECTION 1: INTRODUCTION

Structure of the manual

- 1). This Manual sets out the design of the accounting systems of Women Environmental Program (WEP) and the procedures to be followed in operating those systems.
- 2). The manual consists of a series of instructions grouped under relevant sections. Together, these sections cover the broad spectrum of the finance function within the organization.
- 3). The purpose of each section is stated as well as the respective responsibilities of Team Members especially the Senior Management Team.
- 4). The prescribed procedures and guidelines are consistent with and operationalise the financial management framework provided in the WEP Partnership Manual.
- 5). In addition, this Manual has been drawn heavily via other guidelines issued by WEP Finance.

Where fit, portions of these guidelines deemed have been extracted and used as Appendices to relevant sections of the Manual to buttress points or to establish how local procedures dovetail into the overall Management Information System of WEP.

6. Purpose of the manual

Purpose of the Financial Procedures and Accounts Manual are to;

- describe the accounting procedures operated by WEP
- explain the main accounting principles adopted by the organization;
- provide a one stop source of reference in order to;
 - i. explain the accounting system and management information to staff and management;
 - ii. Train staff of the finance department in the operation of the system.

7. Responsibility

The Global Executive Director and the Finance Manager have the overall responsibility for the accounting system and for the preparation and issue of the accounting manual. Any changes will be advised by the issue of official memos accordingly.

SECTION 2: ORGANISATIONAL STRUCTURE

Purpose

- 1). To describe the structure of the organization, the flow of authority and reporting lines.

The Structure

- 2). The Organizational Chart of the organization is attached to this section as Appendices
- 3). The Support Office is made up of the Finance and Administrative unit
- 4). Every new centre set up in the future will constitute a Cost Centre and will be coded appropriately in Quick Book.

Budget holders

- 5). For effective programme delivery, authority is decentralized and financial management based on responsibility accounting.
- 6). The Budget holders are as follows:

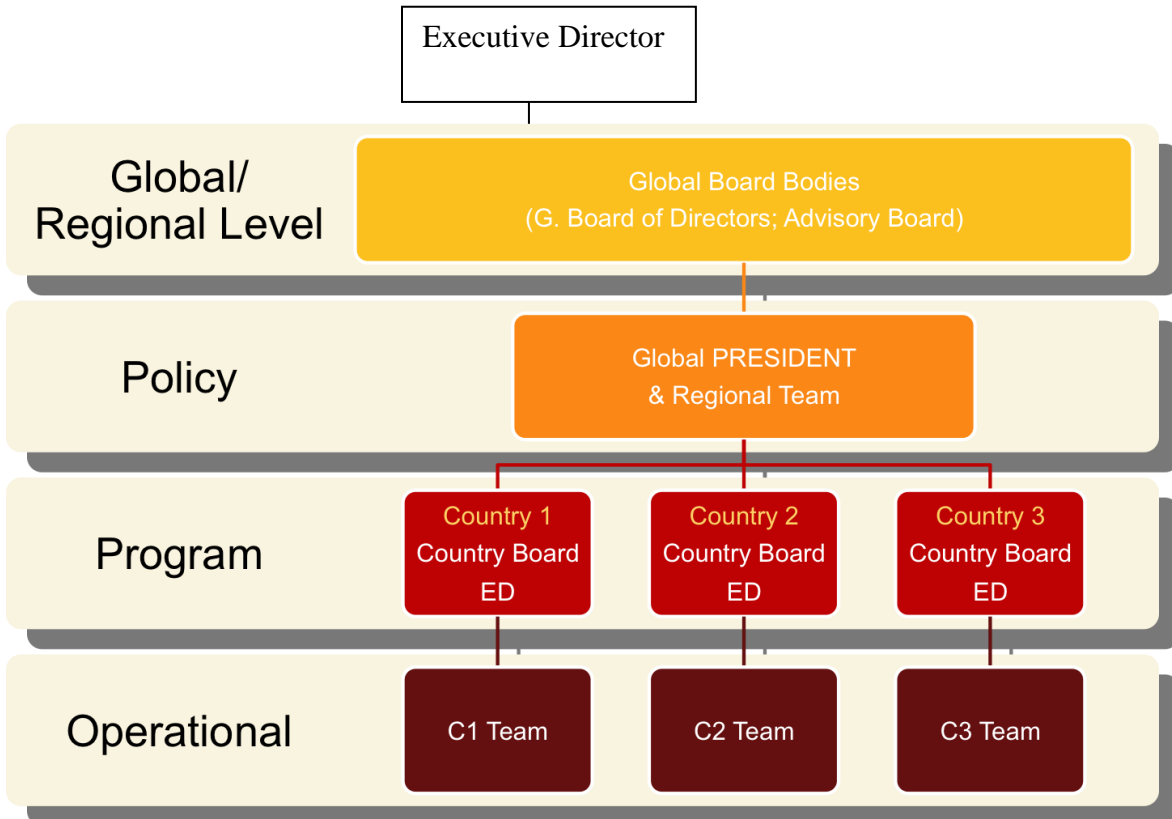
	Budget holder	Functional area
1	Executive Director	Overall responsibility for the Agency budgets
2	Finance Manager	Overall responsibility for Financial, Budget and Administrative of the Agency
3	Program Manager	Overall responsibility for Program Budget

Authorization Levels

- 7). All Budget holders may authorize transactions within their respective budgets up to N2000. Transactions above N5000 will be authorized by the Global Executive Director. All transactions not budgeted for will be authorized by the Global Executive Director irrespective of amount involved. All Capital expenditure will be authorized by the Global Executive Director.

- 8). The Centre Managers have authority over petty cash transactions.
- 9). Any revisions to the above limits should be formally communicated to budget holders by memo by the Global Executive Director/ Finance Manager

**The Organizational Chart of the amended organogram
and attached as stated in structure above**



WEP ORGANOGRAM

SECTION 3: PROCUREMENT OF GOODS AND SERVICES

Purpose

- 1). To describe the system, procedures and documentation to be used for authorizing, processing and accounting for purchases of goods and services from third parties locally.

Summary of Responsibilities

- 2). The Country Functional Managers are responsible for initiating the procurement of goods and services as approved in their respective budgets.
- 3). The Global Finance Manager will be responsible for ensuring that purchase orders are placed and progress control is exercised over receipt of goods and supplies.
- 4). The Global Finance Manager will be responsible for all accounting and payment procedures associated with procurements
- 5). The Global Executive Director will approve all procurements

Description of detailed procedures

- 6). The processes are described in detail under the following:
 - Request to purchase
 - Local Purchase Order procedures
 - Goods Receiving Procedures
 - Processing and Payment of Supplier Invoices
- 7). **Forms to be used**
 - Purchase Requisition Form (PRF)
 - Local Purchase Order (LPO)
 - Goods Inwards Note (GIN)
 - Supplier Invoice/ Payment Requests/voucher

The need for Purchase Requisition

- 8). A Purchase Requisition is a formal communication to the Global Executive Director of the need for specific goods and services required for WEP operations.
- 9). A Purchase Requisition is needed **in every case of procurement of goods and services** except where there is an open contract for supplies such as telephones, water, electricity, hotel accommodation, car maintenance, recurring statutory obligations (e.g. VAT and PAYE) etc the value of which will be approved from time to time by authorizing payment of invoices received or liabilities involved as the case may be.
- 10). For the avoidance of doubts, any commitments outside the type enumerated above will be initiated by completing a Purchase Requisition Form (PRF)

Completion and Processing of Purchase Requisition

- 11). Country Functional Managers will initiate procurement of goods and services by completing a copy of Purchase Requisition Form (PRF)
- 12). Country Functional Managers will sign the relevant portion of the PRF to evidence work done.

13. All PRFs should be sent to the Global Finance Manager. The Finance Manager will perform the following:
 - a) Review request for budgetary allocation, and
 - b) Review competitiveness and arithmetical accuracy of supplier quotations. The Finance Manager will sign the relevant portion of the PRF to evidence work done.
14. The reviewed PRF will be approved in accordance with authority levels in force.

Deciding the Source of Supply

15. WEP considers competitive bidding as a well-established technique for minimizing cost of goods and services. At all times quotations or bids should be on competitive basis. At least three quotations should be obtained for any procurement of goods and services. Reasons for departure should be documented.
16. On the basis of past performance of suppliers or exclusive specialist services, management will compile a list of designated suppliers for all range of goods and services. The list will be reviewed twice a year for price competitiveness, delivery performance and quality of goods.

Raising the Local Purchase Order

17. The Country Finance Manager will complete a Purchase Order (LPO) in quadruplicate. The Purchase Order will be attached to the related PRF and supplier quotations and will be signed by the Country Finance Manager and approved by the Global Executive Director.
18. The approved Purchase Order will be distributed as follows:
 - ✓ 1st Top copy to Supplier
 - ✓ 2nd copy Finance copy (with PRF and supplier quotations)
 - ✓ 3rd copy Initiator of transaction.
 - ✓ 4th copy- Book copy
19. For the system to operate smoothly and efficiently, budget holders should plan their needs properly and initiate the process of procurement well ahead of the time the items or services are required. Support office reviews and authorization should not take more than two (2) working days upon receipt of PRFs any anticipated delays should be communicated to budget holders.

SECTION 4: CHEQUE PAYMENT PROCEDURES

Purpose

1. To describe the system and procedures to be followed in paying suppliers of goods and services by cheque

Outline of System

2. Signatories to WEP Bank accounts will be appointed by WEP. Two signatures will be required to make a signed cheque valid.
3. For goods and supplies **subject to purchase order procedures**, the Purchase Requisition Form (with supporting supplier quotations) Local Purchase Order, Payment voucher, Stores Receipt Voucher and supplier invoice will constitute a complete set of documents for processing and payment to suppliers. Payment must not be made against Pro Forma invoices. Where a supplier is an agent for collection of Value Added Tax, VAT Invoice must be obtained.
4. In other instances,
 - ❖ the contract under which service was provided and the supplier's invoice/payment request will be required for processing of payments. The Functional Manager whose unit the service was provided for is required, to endorse supplier invoice/payment request to evidence performance of services for which payment is being demanded.
 - ❖ Monthly bills from Utility Services
 - ❖ Statutory payments, i.e. PAYE and Withholding Tax should be supported by schedules prepared by Finance Manager
5. Depending on the circumstances, suppliers may be paid by direct transfers into their account.
6. Where advance payments have to be made before goods/services are provided, the approval of the Executive director must be obtained and the Finance Manager must ensure that all goods/services paid for are received or services rendered as the case may be. All documentation required to support transactions as prescribed in this manual should be obtained.
7. VAT Invoices must be obtained from suppliers of goods/services who have registered as agents for VAT collection.
8. The rates in force are as follows:
 - For the provision of goods and services - 5%
 - Rent final tax - 10%
9. In all cases, the Officer requested will complete a Cheque Payment Voucher and provide all necessary accounts and donor codes to the Finance officer.
10. Before presenting a cheque for signing, the Global Finance Officer should ensure that:
 - ❖ the expenditure is in accordance with WEP policies
 - ❖ the expenditure is properly authorized, and
 - ❖ the expenditure is properly documented

11. All documents supporting payment must be cancelled by using a 'PAID' stamp to avoid re-presentation for duplicate payments.
12. An Official Receipt must be obtained from all suppliers to whom payments have been made. The Receipts should be attached to the set of payment documents
13. As a rule all cheques issued to suppliers should be order cheques.
14. The following particulars should be entered and completed for all outgoing cheques:
 - Cheque Number
 - Payee
 - Amount
 - Date collected
 - Name of Official (collecting)
 - Signature
15. The Country Finance Manager should ensure safe custody of all used and unused cheque books.
16. Where a cheque is cancelled, the cheque number should be cut off from the cancelled cheque and stapled to the cheque stub to which it relates. In addition to this policy, copies of all used cheques should be made for record purpose.

SECTION 5: PETTY CASH PROCEDURES

Purpose

1. To describe the system and procedures to be followed and the documentation to be used in accounting for Petty Cash transactions

Responsibilities

2. The Finance Manager has the overall responsibility for operating the petty cash system

Documents to be used

3. The following documents will be used to operate the system
 - ✓ Petty Cash Voucher
 - ✓ Petty Cash Book
 - ✓ Petty Cash Reimbursement Form

Detailed description of procedures

3. Petty Cash Float will be maintained at the within WEP

4. For safe custody, Cash safe with security codes, will be provided. The maximum amount for the petty cash book is N350, 000 (Three Hundred and Fifty Thousand Naira only). The maximum amount that can be kept in the office is N250, 000 (Two Hundred and Fifty Thousand naira only).
5. The Global Finance Manager will keep a record of all security codes.
6. All petty cash floats will be maintained on imprest system: i.e. the amount initially provided to the Petty Cash holder will be debited to a Petty cash Account and all payments reimbursed to the holder from the bank account periodically after the submission of a Reimbursement Claim
7. The float size at each point will be determined by the Finance Manager and Global Executive Director. This will be reviewed upwards by management from time to time and revised levels communicated by memo. The review will also take into account the volume of transactions
8. The maximum amount payable per individual transaction is N50, 000 (Fifty Thousand Naira only).
9. All payment from petty cash will be on the basis of approved Petty Cash Voucher (PCV) to which invoices, and/or receipts and other relevant supporting documents will be attached.
10. All staff who collects petty cash for any transactions should sign the relevant portion of the PCV
11. The Petty Cash holder will maintain a Petty Cashbook and Microsoft Excel worksheet. This will indicate for each transaction, the description and amount. The Petty Cash Book should indicate the balance of cash after each transaction.
12. The float should be replenished when the cash balance is below 25% of the float. The holder should complete a Petty Cash Reimbursement Form and attach all PCVs. This should be forwarded to the Finance Manager for review and replenishment
13. The Country Finance Manager will check the Petty cashbook and cash balance periodically for accuracy.
14. The Country Finance Manager will code the transactions and post them.
15. The Financial Controller will take impromptu check on the Petty Cash Holder regularly to ensure compliance to the policy as contained herein.

SECTION 6: STAFF PAYROLL SYSTEM

Purpose

1. To describe the system and procedures to be followed and the documentation to be used in recruiting and paying Team Members.

Responsibilities

2. Departmental Managers will initiate staff requisitions in accordance with their needs and budget.
3. The Finance Manager will coordinate the processes leading up to requisitions.
4. The Executive Director will approve all requisitions.
5. The Finance Manager is responsible for payroll processing and related disbursements

Procedures of Payroll system

6. The Payroll System covers the following procedures
 - Employee Permanent Records
 - Overtime Work
 - Payroll Preparation
 - Payment of Salaries
 - Payroll Reconciliation
 - Separations from WEP
7. Other Staff related issues covered under this section are:
 - ✓ Staff Advances
 - ✓ Staff Claims
 - ✓ Medicals
8. Successful Interviewees will be offered Appointment letters duly signed by the Global Executive Director.
9. Two original copies will be signed by the new Team Member and one returned to WEP. Copies of the original Appointment Letter will be made for the Department Head, Finance Manager (for payroll purposes) and the original kept on Team Members File.

Overtime Work

10. Overtime may be payable for some categories of employee who regularly work extended hours and where this is the case it will be paid at the rate of 125% of the normal hourly rate for weekdays, 150% for Saturdays and 200% for Sundays and Public Holidays.
11. Team members who have carried out overtime work will complete the Overtime Claims Form. The Form will be approved by the Centre/Departmental Manager

12. Approved Overtime Claims will be sent to the Finance Manager for processing.
13. Overtime payments will be processed through monthly payroll

Payroll Preparation

14. Monthly Payroll will be prepared by the Country Finance Manager
15. For each monthly payroll, the Global Executive Director and Global Finance Manager will review and sign the Master Payroll to evidence work done

Payment of Salaries

16. The following will be required for processing of salaries through bank by the name of the Agency Bank.
 - ✓ Bank Advice Listing (both soft and hard copy)
 - ✓ Authorisation Letter (signed by two authorised signatories)
17. The hard copies should be personally delivered. Any changes to these contact addresses will be advised by the bank
18. Team Members with no bank accounts will receive salary cheques at the end of the month.

SEPARATION FROM WOMEN ENVIRONMENTAL PROGRAM (WEP).

19. The Donor will advise the Global Finance Manager on all separations for such names to be removed from the payroll.

SECTION 7: STAFF TRAVELS

Purpose

- 1). To describe the system, procedures and documentation to be used for authorizing and monitoring staff travels. These guidelines cover both internal and external travels.

Summary of Responsibilities

2. The Executive Director will authorize local travels of all Managers
- 3). Managers will authorize all local travels of Team Members reporting to them
- 4). The Executive Director will approve all overseas travels.

- 5). The Finance Manager will process staff travel document and entitlements arising from approved trips

Description of detailed procedures

- 6). The Team Member will enter:
 - Name
 - Position
 - Signature
 - Department
 - Destination, and Purpose of Journey
- 7). In addition, the Team Member will indicate the start and end periods of the journey and also the number of days in all
- 8). The Supervisor will complete the relevant portion by indicating name, recommendation, per diem rate relevant to trip to be undertaken, signature and date.
- 9). For Overseas travels especially, Team Members should attach to the Form, all related mails and correspondences with host country and/or WOMEN ENVIRONMENTAL PROGRAM (WEP)
- 10). WOMEN ENVIRONMENTAL PROGRAM (WEP) Travel Guidelines are attached to this section as an Appendix
- 11). All approved Forms should be forwarded to the Finance Manager who should ensure tickets, visas per diems and work floats as the case may be are processed in time for Team members.

Section 8: Accounting for Travel Advance

General Description

Purpose:

- 1). This procedure covers the accounting requirements for recording and settling receivable balances that have arisen from travel advances issued to employees for approved WEP business purposes.

Description

- 2). Travel advances repayment amounts issued to WEP employees for anticipated expenses to be incurred during approved business trip. Travel advances to employees assigned to the Program that issues the advances are to be charged to Travel Advance Account Code in the Quick Books. Travel advances to employees on this Programme should be kept to absolute minimum.

- 3). Travel advances are to be recorded in the respective projects against which the expenses are to be incurred. If the travelling employee expects to incur expenses against more than one project during the trip, the program should issue a single travel advance and record it in one business unit. When the advances are liquidated, however, the expenses must be charged to the appropriate business unit.
- 4). It is expected that every travel advance will be liquidated within five business days after the employee's return from the trip. The travel advance is generally liquidated through the submission of more approved Travel Expenses Vouchers (TEVs) along with the applicable supporting documents, a return of funds advanced, or a combination of the two. An employee cannot approve her/ his own travel advance.
- 5). To request a travel advance, the employee must submit to her/his immediate supervisor a signed Travel Advance Request Form that indicates the reason for the advance, the amount needed, the length of the trip and the project number to be charged. Therequest form should include a printed statement to the effect that the advance is to be accounted for or returned within five business days of the employee's return from trip and should specify the standard limit for domestic and International travel as approved by the Executive Directors.
- 6). No travel advance may be issued to an employee who has not accounted for all previous travel advances.

**TRAVEL AUTHORISATION
INTERNAL/EXTERNAL**

Name of Staff:**Position:** **Signature:**

Dept :

Destination.....

Purpose of Journey:.....
.....

Travel documents to be prepared:

Document	Action by Whom
➤ Ticket
➤ New Passport
➤ Passport Renewal
➤ Visa
➤ Accommodation

➤ Others (specify)

Dates: From: To:..... Total No. of Days:

P/Diem Rate: ₺.....

Name of Supervisor:.....

Supervisor's Recommendation:

Who bears the cost: Cost Centre:

Authorised By:

.....
Name Signature/Date

List of supporting documents attached:

- 1).
- 2).
- 3).

SECTION 9: FIXED ASSETS ACCOUNTING

Purpose

- 1). To describe the system and procedures to be followed in processing capital expenditure and to account for Fixed Assets acquired.

Responsibilities

- 1). The Executive Director is responsible for approving all fixed asset acquisitions
- 2). The Finance Manager is responsible for accounting for fixed assets of the Agency

Detailed Procedures

- 1). Fixed Assets will be processed in QuickBooks Accounting system according to guidelines detailed out in WOMEN ENVIRONMENTAL PROGRAM (WEP).
- 2). All Fixed Assets should be labeled with the identification numbers assigned to them in QuickBooks as indicated in Inventory Manual.

- 3). For reference purposes, the identification number should be indicated against each asset on the supplier invoice
- 4). Fixed Asset count should be conducted annually by the Finance Manager to confirm existence of assets on the Register.
- 5). The Finance Manager should provide and update the Fixed Asset Register for each Branch and location to enable such officials has the means of managing assets under their control

Asset Capitalization Policy

- 6). Accounting practice, rather than expenditure threshold, will determine what constitutes capital expenditure in the Agency. All assets with economic useful life beyond a period of one year will be capitalized.

Asset Classification

- 7). Asset classification will be in accordance with the groupings in the Global chart Of Accounts. For the time being, the Agency’s assets fall in the following categories:
 - Land & Building
 - Generators
 - Office Equipment
 - Furniture & Fittings
 - Computers
 - Motor Vehicle

Asset Depreciation Policy

- 8). For each class of assets, the policy of depreciation will be as follows;

• Land & Building	4%	Straight Line Method
• Generators	15%	Straight Line Method
• Office Equipment	20%	Straight Line Method
• Furniture & Fittings	20%	Straight Line Method
• Computers	20%	Straight Line Method
• Motor Vehicle	25%	Straight Line Method

- 9). Full year depreciation will be provided in the year of purchase.

Disposing of an asset

- 10). Disposing of an asset is a three stage process. First any proceeds from the sale of the asset should be posted. The asset must then be marked for disposal after which the disposal journal can be generated.

SECTION 10: THE CHART OF ACCOUNTS AND ACCOUNT CODES

Purpose

1. To describe the codes used in the management information system of WOMEN ENVIRONMENTAL PROGRAM (WEP) for classifying and processing accounting and operational data. It is also to provide authorized schedule of Codes of all kinds to be used by Team Members especially Budget holders responsible for coding transactions

The Principles

2. There are two sets of Account Codes in use
 - The Chart Of Accounts
 - Transaction Analysis Codes

The Chart of Accounts

3. The Chart of Accounts of WOMEN ENVIRONMENTAL PROGRAM (WEP) have been developed and set up in QuickBooks Accounting Systems already. The schedule is attached to this section of the Manual. To assist any future expansion of the Chart to take account of growth in scale and complexity of Agency operations, the principles have been explained below:
4. WOMEN ENVIRONMENTAL PROGRAM (WEP) Global Chart of Accounts provides the basic framework to which Partner Programmes have to tailor theirs. Compliance and conformity are required so as to facilitate consolidation at the Global level. The Framework has the following

HEADERS

- 1 for Balance Sheet
 - 101 for Banks Accounts
 - 140 for Fixed Assets
 - 120 for Current Assets
 - 3000 for Equity
- 2 for Profit & Loss Accounts
 - 404 for Income
 - 501 for Sub Contracted Cost
 - 502 for Professional Services

503 for Project Expenses
504 for Administrative Expenses
601 for Personnel Expenses
604 for Depreciation
605 for General Office Expenses

SECTION 11: LOANS TO STAFF AND THIRD PARTIES

Purpose

1. This procedure covers the accounting requirements for recording and settling receivable balances that have arisen from loans granted to employees of WEP.

Description

- 2). Loan can be granted to only employees who are in employment of WEP for a minimum of two years and have been duly confirmed on their appointment.
- 3). The maximum amount to be granted to an employee shall be fifty percent (50%) of net annual salary.
4. The amount granted as loan shall strictly be from WEP savings.
5. Borrowing or granting loans from Donors Fund is not allowed. As such no borrowing or loan to any employee must not be granted out of donor's funds.
6. No loan will be granted to any third party neither from the Donor Funds or WEP savings.
7. The maximum repayment period for a loan granted to an employee shall be twelve months with effect from the month that the loan was disbursed to the beneficiary.
8. The employee seeking the loan facility will write an application to the Executive Director, stating the amount, purpose and proposed repayment period through his or her Head of Department who shall duly endorsed the application by writing his full name and signature before forwarding the letter to the Executive Director.
9. On approval of such loan application by the Executive Director, the Finance Manager shall raise the payment voucher and adhere to the repayment plan approved by the Executive Director.
10. No loan shall be granted to any employee who has outstanding loan repayment or an advance to retire.

11. In the event that a staff's employment is terminated by the company, any outstanding debt will be deducted from his/her final entitlement. If the amount is insufficient, the organisation will forfeit the balance.
12. However, if a staff voluntarily resigns his/her employment, it is expected that such a staff will make adequate preparation to clear up all debts before exiting the organisation. In this regard the Accounts Officer and Head, Accounts & Admin have the responsibility for giving every exiting staff a clean bill of health, stating that such a person's is not in any way indebted to the company.

SECTION 12: EXCHANGE RATE TO APPLY

Purpose

1. This procedure covers the accounting requirements for determining the exchange rate to be applied on each transaction of WEP.

Description

- 2). The exchange rate to be applied for each transaction shall be the rate prevailing on the official website as approved by the donor from time to time.
3. Average rate shall be applied for Receipt and Payments account transactions.

SECTION 13: CLOSING DATE TO LOCK EACH MONTH TRANSACTION IN QUICKBOOKS.

Purpose

1. This procedure covers the closing or locking of transactions in the Quickbook and printing of monthly report for each project of WEP.

Description

2. All transactions in Quickbook will be locked twelve days after the end of each month by the Executive Director and keeps such codes.
3. Transactions of such locked months can only be accessed if the applicant seeking to make use of such information writes an application to the Executive Director through his or her Head of Department stating clearly the purpose for such use, time, day and date that he or she intends to use. The application shall be forwarded to the Executive Director after the Head of Department has duly endorsed by writing his or her full name and signature.

4. The applicant will make use of the previous month (s) record in Quickbook if the Executive Director has approved the request. The Quickbook will be locked back immediately after the approval period granted to the applicant by the Executive Director.

SECTION 14: DISCLOSURE OF FINANCIAL RECORDS AND INFORMATION TO DONORS.

Purpose

1. This procedure covers the Financial records and information to be disclosed and given to each donor at any giving time from transactions in the Quickbook and other means of storing such financial records for each project of WEP.

Detail Procedure.

2. WEP will disclose to each donor income received and expenses incurred from such a donor on a project the funds were donated only. WEP will not disclose Donors' funds on their specific projects to other Donors.
3. Financial records and information on each donor's funds will be kept in line with the donor's contract agreement as well as International Financial Reporting Standards.

SECTION 15: BANK RECONCILIATION

Purpose

- 1). This procedure covers the Bank Reconciliation requirements to be done on each donor's bank accounts and any other bank account maintained by WEP at the end of each month from transactions in the Cash book on such account kept by WEP.

Detail Procedure.

2. Bank reconciliation statements are prepared at the end of every month by crosschecking all items appearing in the bank statements with those in the cash books, identifying all outstanding items and agreeing the balances.
3. The Accounts Officer is responsible for the preparation of the bank reconciliation.
4. Head, Accounts & Admin is responsible for reviewing the bank reconciliation statements and investigating any item outstanding for an unreasonable length of time.
5. A copy of the monthly bank reconciliation prepared by the Accounts Officer and reviewed by the Head, Accounts & Admin is sent to the Financial Controller for onward submission to Executive Director.

6. The Bank reconciliation on each bank account and cash book will be completed at most seven day after the end of the month.

SECTION 16: BUDGETING AND BUDGET MONITORING

Purpose

- 1). The purpose of this section is to outline the principles and procedures involved and the documentation to be used in preparing the Organisation's annual budget.

Objectives

The objectives of the Organisation's budget are to:

2. Provide a framework wit which the management can formalize and evaluate the Organisation's short, medium and long terms plans.
3. Enable the Organisation to review pat performance and set new targets on a regular basis.
4. Involve all the Organisation's departments at all levels in the preparation of their own details plan.
5. Consolidate the plans of individual budget centres into a master budget consisting of the budgeted cash flow statement, profit and loss account and balance sheet. These summary budgets will show the achievement of company's profit objectives, effect of the plan on the company's liquidity and utilisation of available resources and capacity.

Responsibilities

6. The preparation of budget involves the initiation, coordination and summarisation of information from a number of sources including the Organisation's clients. The budget committee, which is responsible for preparing the budget, will consist of departmental heads and Executive Director.

Steps

7. Formalisation and communication of Organisation's objectives by the Executive Director.
8. Interpretation of Organisation's objectives and the formulation of appropriate strategies by management so as to achieve the goals of the company..
9. Determination of project activities, necessary funding arrangements and the preparation of fund related budgets.

10. Consolidation of detailed budgets into income & expenditure, balance sheet and cash flow budgets.
11. Approval of the budget by the management and Board of Directors.

SECTION 17: INVESTMENT

Purpose

- 1). The purpose of this section is to outline the principles and procedures involved and the documentation to be used in investing the Organisation's idle funds.

Detail Procedures

2. The organisation is at liberty to invest her unrestricted funds in fixed term deposit, stock market, government bonds or any other investment considered desirable by the management.
3. At any point in time, Management can invest not more than 40% of the organisation's unrestricted funds in the non-highly risky investment such as stock market, government bonds etc.
4. Expert opinion should be sought before any investment is made.
5. The organisation could also invest maximum of 20% of her restricted but idle funds subject to the conditions and terms of grants agreements with the donors.
6. All investment decisions including the amount to be invested, the investment type, duration of the investment as well as the time to call off the investment will be approved by the Global Executive Director.