



WEO asbl
Weka Organisation

Certificate of Incorporation n° F92/ 46.679 of 17 February 2022

FINANCIAL POLICY

JANUARY 2019

LIST OF ACRONYMS AND ABBREVIATIONS

Cr	Coordinator
Ac	Accountant
WEO	Weka Organisation
BM	Board Members
ED	Executive Director
Ct	Credit
Dept.	Department
EO	Elect Officer
LPO	Local Purchase Order
No	Number
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PC	Procurement Committee
SE	Service
SU	Supplies
CFr	Congolese Franc
WO	Works

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SECTION ONE

1.0 OBJECTIVE OF THE FINANCE DEPARTMENT

1.1 The finance department is headed by the Executive Director, and is supported by the accountant.

1.2 The overall objective of the finance department is to ensure efficient and effective use of the organisation's funds, timely, accurate, complete financial information to Administration as well as informative accountability through periodical financial reporting to the stakeholders through the Board of Directors.

1.3 The power to ensure compliance, implement and interpret this policy is vested in the WEO's Executive Director (ED) shall seek guidance through the WEO financial policy and donor financial procedures and agreements, where necessary and his/her decision shall be final. All amendments to this policy are subject to approval by the Board of Directors in writing.

SECTION TWO

2.0 CASH ADMINISTRATION

2.1 All special projects and donor-funded programs shall be considered approved after signing of an agreement by an WEO representative and the funding agency representative.

2.2 Releases of funds will follow the pattern and modes in the project agreement and should be seriously monitored by the coordinator.

2.3 New bank accounts shall only be opened at the request of donors or when stipulated in the project agreement.

2.4 Cheque books will be requested by the accountant after approval by the Executive Director and the Treasurer and once received, they will be counted by the Coordinator to certify that all cheque leaves have the correct account number and account title. If the Coordinator is satisfied that the chequebook is correct and contains all the cheque leaves, they will append their signatures in the new chequebook register.

2.5 All WEO bank accounts will utilize sequentially numbered cheques for their disbursements. The cheque number will be the prime reference in entering data in the accounting information system.

2.6 All unused blank cheques will be maintained in a safe cabinet with locked access limited to the Accountant and Executive Director. The accountant will ensure that she/he records all cheque payments in the cheque folios or cheque summary record.

2.7 All cheques will be written by the Accountant and reviewed by the Coordinator and approved by the Executive Director before being endorsed by at least two signatories one of who must be a principle signatory. The Executive Director, and Board Treasurer shall be principle signatories.

The Accountant shall not act as signatory to the WEO account. Cheques written in error or with a mistake will be crossed with two lines and “Cancelled” and punched/torn. These cheques will remain stapled in the chequebook.

2.8 When cheques clear in the bank, they will be included in the bank statement delivered to WEO. Both the bank statement and the reconciliation will then be sent to the Coordinator and Executive Director for review and approval and thereafter sent to the board through its treasurer on a quarterly basis and filed for future reference.

2.9 At the end of each month the Accountant will provide cash book balance report, for WEO accounts.

2.10 The Accountant together with the Coordinator shall prepare and submit at least every quarter a cash flow forecast. The cash flow forecast should show the amount required for the approaching quarter.

SECTION THREE

3.0 REQUISITION OF FUNDS

3.1 The heads of Finance Department or his elect shall inquire about budget lines under his/her responsibility through written or oral request to the Coordinator on whether:

3.1.1 The expense requested is supported and identifiable with a specific budget line item.

3.1.2 There are sufficient funds on the budget line item to cover the disbursement.

3.1.3 The necessary requirements to request and process the payment have been fulfilled (see WEO Advance Request Form)

3.1.4 There is a contractual document (LPO, Proforma invoice, contract, memorandum of agreement)

3.2 Except in urgent cases, all requests and the necessary paper work for request of funds must be certified by the responsible department/expenditure head and should be submitted in the Finance Department in time to affect the necessary preparations.

3.3 On positive notification from the Coordinator or his/her designate, that all requirements have been complied with, an *Advance Request* form (see WEO Payment Voucher) will be generated by the Accountant and forwarded to the requesting party to be filled out documenting when, where, how and why the expense will occur. The requesting party must attach all the supporting documentation. (See WEO Advance Request Form)

3.4 The form, which should be used for regular, recurring type expenses, such as utilities, communications, rent and supplies must be reviewed by the Coordinator to ensure that all requirements have been complied with and all the supporting documentation is available, proper and correct.

3.5 The Coordinator shall review and approve the request form, provide it to the Executive Director for authorisation.

3.6 If the advance request is reviewed it will be forwarded and authorisation by the Executive Director for signing as the chosen signatories to the account.

3.7 Funds related to travel; per diems, training, etc. should be approved by the Executive Director in advance.

3.8 Any invoice submitted for reimbursement should initially have an *Advance Request* form prepared for it (see WEO Payment Voucher). Invoices or claims submitted without such a form and were not approved by the Coordinator or the Executive Director or are not in the names of an WEO employee is subject to rejection by the Finance Department.

SECTION FOUR

4.0 EMPLOYEE OPERATIONAL ADVANCES

4.1 Employees may request an advance if their job requires an outlay of cash, or if they are attending WEO's activities, which require an outlay of cash such as travel missions. Such a request should be made on a *Request for Advance Form* (see WEO Advance Request Form), which will show the estimated amount of cash needed and the type of expenditures expected.

4.2 An employee requesting a travel advance must justify the need to travel with a memo to the Executive Director explaining the objectives of the trip and the intended outputs. This request once approved by the President must be attached on the advance request.

4.3 The Finance Department has up to three (3) days to process the advance, from the date of receipt of an approved advance form. The advance is always treated as an imprest, and the employee must remit an expense, field visit reports and with receipts attached, or cash to the Finance Department within five (5) working days after utilizing the funds, for it to be removed from their name. If the employee does not follow this procedure, the unverified portion of the advance may be subtracted from their next payroll cheque (s) until fully recovered.

4.4 The travel advances also known as per-diem is broken down into four categories, Hotel, Meals, communication and Incidentals and miscellaneous expenses. All staffs travelling are required to present a summary report relating to their travel as proof of spending their travel advance.

4.5 The Finance department will provide to the other departments' and keep a record of approved mileage, hotel, and meals/incidental rates to ensure that staff members requesting advances can code the correct rates on the WEO Advance Request Form. WEO shall use rates applicable and those approved by funders.

4.7 Administration may set forth circumstances and amounts for which receipts cannot be availed. At present all hotel and miscellaneous expenses are accounted for by official receipts

4.8 Upon leaving WEO or changing jobs within WEO that does not require an expense of cash, the employee will submit a final WEO Claim Form to the Finance Department and submit to the Accountant all unspent cash advanced. The Coordinator shall certify that the employee has no outstanding advances by approving the claim form.

4.9 The Executive Director may authorize up to 60% of an employee's gross salary advance upon request by a member of staff. Advance exceeding one month's salary shall only be approved by the board.

SECTION FIVE

5.0 CHEQUE AND PAYROLL PROCESSING

5.1 Cheques shall be prepared by the Accountant and should be ready based on the schedule outlined below:

Accounts payable Time and date will be decided by Coordinator in consultation with the Executive Director.

5.2 Invoices in foreign currency, will be converted in Congolese Francs at the date of payment using the buying rate of any bank where WEO has an account.

5.3 The Coordinator shall present approved payment vouchers (see WEO Payment Vouchers) to the Accountant to prepare the respective cheques.

5.4 The Accountant should present the cheques with the supporting documentation (payment cheques list, control sheets approved voucher, invoice, etc.) for signature to the Executive Director. All supporting documentation must be endorsed with the respective cheque number.

5.5 The cheque signatories will check the cheques and documentation for:

5.5.1 An approved, signed and dated cheque request.

5.5.2 The cheque has all the proper documentation attached, which are endorsed with the cheque number on which the payment relates, and the amount agrees with the documentation.

5.5.3 The expenditure is realistic given the nature the request, the budget and overall operations of WEO.

5.5.4 For all contracts, a payment checklist showing deliverables provided as per the contract and all finance guidelines have been complied with. The responsible Supervisor and the Technical Supervisor-Finance must endorse this checklist.

5.6 If everything is in order the cheque signatories will sign the cheques and forward them to the Accountant for copying. The Accountant invites the payees to pick their cheques.

The paid invoice should be marked "PAID" and put together with the payment voucher along with receipts and delivery notes in that respect then filed monthly in descending order of cheque numbers.

5.7 All cheques issued shall be recorded in the cheque register by the Accountant, which should be reconciled together with the bank accounts.

5.8 A schedule of cheques issued for the week shall be sent to the paying bank and against which the bank will pay cheques as they are presented.

5.9 The Accountant shall write up the cashbook, analyse and classify the expense items and code the expenditure as appropriate and pass it to the Coordinator for review.

5.10 The Accountant shall input into the accounting information system all payments and receipts using the analysed cashbook and the individual payment vouchers.

5.11 All cheques should be recorded in the cheque register, including the cancelled cheques, and returned to the safe for filing and safe custody.

5.12 The payroll will be based on the current salary of the employee as established in the employee's personnel file or employee contract. Any adjustments of the payroll must be approved by the board in consultation with Administration and must be within the budget.

5.13 If the payroll is distributed in the office, upon clear request by the employee and approval by the Coordinator, the pay cheque will pass from the Accountant to the employee through the Coordinator in a sealed envelope. The Finance Department must provide each staff with an individual payslip sheet explaining the rationale of all deductions and the computation of the net pay (See WEO Payroll Form). All appropriate withholding will be retained and paid by WEO to the respective agency.

5.14 WEO may deposit an employee's salary into his/her bank account. Sufficient documentation should be received from the bank to support that the payroll amount was remitted to the employee's account.

5.15 The payroll will be subject to the following monthly deductions: PAYE, NSSF, leave without pay and any overdue advances.

5.16 All payments to consultants, vendors and faculty should be processed within 45 days from receipt of the invoice and this information should be included on all standard documents and agreements entered by WEO.

SECTION SIX

6.0 PETTY CASH

6.1 To provide for the ability of WEO to procure office supplies and make other payments up to the equivalent to CFr 1,001,250 on a timely basis, a petty cash fund, equivalent to CFr 500,625 may be established at the direction of the Coordinator.

Payments made with petty cash funds should be minor in amount and of office support nature. No expenditures normally covered through the cheque processing function should be made from this fund unless with pre-approval from the Executive Director.

6.2 The fund should be kept in a secured place, with access limited to two people as shall be selected by Administration from time to time. As money is paid from the fund, a petty cash voucher documenting to whom the funds were given and approved by the Executive Director, should be completed (see WEO Petty Cash Request Form). In addition, as the money is exhausted for its intended purpose, invoices should be submitted to the Finance Department for attachment to the petty cash voucher.

6.3 The petty cash fund should be reconciled by the Accountant on a weekly basis or as the level of available funds falls below the equivalent to CFr 20,000. No replacement of petty cash monies will be made to the fund until the reconciliation is completed. If unsupported vouchers exist, the Coordinator should investigate and limit further petty cash advances to that employee until the issue is resolved. (See WEO Petty Cash Reconciliation Form for a format to facilitate the petty cash reconciliation process).

6.4 The Accountant will review and report to the Executive Director monthly the status of petty cash. At any point in time the Coordinator may request or make a spot check to reconcile the petty cash float and petty cash receipts to ensure that the available cash is consistent with the petty cash reports.

6.5 The elect officer shall sign a statement of petty cash custodian's responsibility (as shown below) which binds him/her to refund the organisation if any petty cash funds are misappropriated or misused.

STATEMENT OF PETTY CASH CUSTODIAN'S RESPONSIBILITY

I, _____ (*legibly print your complete name*),
 acknowledge receipt of the custody of WEO's Petty Cash Box and Cash in the amount of
 CFr _____ (*amount*) (_____)
 (*write amount*) on _____ (*date received*) for the purpose of transacting petty
 cash expenditures within the guidelines of WEO's Petty Cash Policies and Procedures as
 stated in the WEO Accounting Policy.

I assume the responsibility for proper control and accountability for the Fund always, and certify that I have attended the Petty Cash training with the Coordinator prior to receiving the funds and understand my role and responsibilities.

I agree that only real, actual petty cash expenses will be reported on the standard Petty Cash Replenishment Report. If I do not provide real, actual receipts when requesting replenishment, or if I cannot provide a proper accounting upon termination of my responsibility for this fund, I hereby authorize WEO to deduct the amount of any missing or unaccounted funds from my salary.

 Custodian's Signature

 Date

Note: No replenishments will be approved for this petty cash fund until this form is signed and returned to the Coordinator. Please keep a copy of this signed form for your records.

SECTION SEVEN

7.0 CASH RECEIPTS

7.1 In some cases, WEO may receive wire transfers from donors. Immediately the Executive Director is notified by the bank or comes to know of any wire received during his/her interaction with the bank on WEO activities, she/he should immediately inform the Accountant on the source, amount and purpose of funds received. WEO will officially acknowledge receipt in writing or by providing a receipt to the person or organisation that has remitted any funds.

7.2 All other cash receipts should be recorded in the general ledger. Each deposit should be recorded on a journal voucher and supported by a deposit slip. The specific steps should be as follows:

7.2.1 *Accountant*

7.2.1.1 Make photocopies of all Cheques received.

7.2.1.2 May be designated to take custodianship of the petty cash fund.

7.2.1.3 Return validated deposit slip and cheque copy to Accountant.

7.2.1.4 Compare validated deposit slip to cheque copy.

7.2.1.5 Input receipt onto journal voucher and attach deposit support.

7.2.1.6 Enter into computer and file in appropriate cash receipt file.

Official receipts with serial numbers must be issued for all monies received and their posting in the cashbook must be done in serial number sequence. All cash receipts received shall be banked intact, latest by the following working day and all bank paying slips must be filed and reconciled with the bank statements at the end of each month.

SECTION EIGHT

8.0 BANK ACCOUNT RECONCILIATION

8.1 All cash accounts must be reconciled by the Accountant monthly, within ten (10) working days after the end of the month to be reconciled. (See WEO Bank Reconciliation Form). Some general guidelines in the preparation of bank reconciliations are discussed below:

8.1.1 Check all bank paying slips and cheque payments with the bank statement.

8.1.2 An aged list of outstanding cheques, by month and in numerical sequence, should accompany each reconciliation.

8.1.3 Outstanding cheques should not be carried on the reconciliation for more than three (3) months without researching the reasons for why they are remaining outstanding, otherwise such cheques should be stopped.

8.1.4 Unposted transactions such as dishonored cheques should be investigated and cleared within one (1) month. All copies of dishonored and nullified cheques should be filed in the dishonored cheques file.

8.1.5 Interest and service charges should be recorded by a journal entry each month. This can be done when the Accountant receives the bank statement.

8.1.6 If a cheque is dishonoured, a fresh cheque shall be issued where necessary after investigations and a cancellation order has been issued to the bank.

8.1.7 The adjusted bank balance must agree with the general ledger balance of the cash for that month. Any difference must be reconciled before the reconciliation is considered in balance (i.e.: there should be no "unreconciled differences" and if they do rise the Finance Department should follow up and reconcile these differences).

8.2 Upon accomplishment, the reconciliations, along with a summary statement showing the cheque number, amount and payee of all cheques/cash receipts paid or received from each cash account, should be submitted to the Executive Director for review. After review and approval, the reconciliations and the report should be retained in the appropriate files.

SECTION NINE

9.0 BUDGET PROCESS

9.1 The responsibility of coordinating the budget preparation will be on the Accountant, the Executive Director in consultation with the Board.

9.3 The budget, which will conform to the calendar year, will include the operating costs that the organisation will incur on a given financial year in line with WEO's strategic actions plan.

The following entries will be included:

9.3.1. *Administrative and Operational Costs*

This will comprise WEO administration and operational costs. Analysis of previous expenditure, inflation and price adjustments by suppliers should be done in computing new administrative and operational expenses.

9.3.2 *Organisation's Costs:*

These are all the costs to be incurred while running the annual work plan.

9.4 On a monthly and quarterly basis, the Coordinator is to monitor each line item of the budget to analyze budget variances, and budget utilization and report to the Executive Director any recommendations for resolving these deviations.

9.5 These recommendations should take the form of regular progress reports or a note detailing any specific projected problems, suggested solutions or budget modification recommendations, issued by the Executive Director and Administration.

9.6 The Executive Director will follow the following guidelines in monitoring budgets.

9.6.1 Use the recent approved budget.

9.6.2 Analyse in detail general ledger transactions to ensure proper posting per line item. Improper coding and posting can result in erroneous and misinterpreted financial reports.

9.6.3 Comparison of year-to-date activity to the total budget.

9.6.4 Unusually high monthly activity spending should be investigated. This could be due to improper coding and the Accountant should correct it by making the necessary journal entry, If existing modifications or other reasons for high monthly activity are large one-time purchases or releases.

9.6.5 Once verification is obtained, if modifications are required, the Accountant should make the proper journal entry.

9.7 The Accountant must at the commencement of each year provide new budget codes to all staff responsible for requesting of funds.

9.8 A budget evaluation and modification, for all donor funded projects should be made once the overall budget utilisation reaches 65%. Only expenditure, which could not have been predicted or manageable, would be allowed for modification subject to the approval of the funding agency following the agreed procedures in the contract document.

9.9 WEO will send a request of funds to the funding agencies from the time funds are required or as specified in the contractual documents to ensure proper cash flow Administration

9.10 WEO shall be responsible for altering budget line after approval by the funding agency and all subsequent reports must specify this adjustment.

SECTION TEN

10.0 CONTRACTS AND LEASES

10.1 The Finance Department will maintain a file containing all approved and signed copies of all contracts and leases that WEO enters.

(See "Procurement of Goods and Services" section). The file will be updated as new contracts or leases are signed. Examples include but are not limited to the following:

- Building/Rent
- Copier
- Vehicle
- Telephone
- Insurance
- Consultant contracts for supply of goods and services.

10.2 All payments will be sufficiently supported by invoices or standard payment forms generated from the approved contracts showing payment date, service provider, price, period and nature of services, works and supplies.

10.3 The Department of Finance, through the Executive Director must maintain a file for each contract. The components of each contract file should be as follows:

10.3.1 A copy of the contract with the appropriate signatures, outlining the Terms of Reference, financial reporting, deliverables and/or outputs expected and any other relevant information.

10.3.2 A contract information page summarizing the contents of the contract, such as activity name, contract period, total amount of contract award, financial reporting requirements, and name and telephone number of contact persons.

10.3.3 A copy of all financial reports submitted.

10.3.4 A copy of each advance or payment request, advance and performance guarantee, payment order and invoices.

10.4 In addition, a contract summary which extracts key actions/dates, terms, etc should be prepared by the responsible Supervisor. This procedure will help ensure that all contractual obligations are met on a timely basis.

10.5 All documentation should be firmly secured within the contract file and the contract file should be labeled with the appropriate name and maintained by the Coordinator or an Elect Officer

10.6 All contracts should be identified and numbered in the following order:

10.6.1 The Name of the Organisation (WEO)

10.6.2 The Year (2019)

10.6.3. Type of Contract (SE, WO, SU, LPO)

10.6.4 Serial Number (01)

10.7 The Accountant/Coordinator will be assigning contract numbers to Supervisors whenever they are preparing a contract. They will also maintain the contract register.

10.8 All preparation and award of contracts shall be governed by guidelines issued by the Procurement Committee.

10.9 There shall be three types of contracts: supplies, service and works contracts.

10.10 A supplies contract refers to a contract for all items to be supplied to Angels and any obligations connected to the items to be supplied.

10.11 A service contract refers to a contract for all services to be performed by the consultant such as facilitation and provision of technical assistance.

10.12 A works contract refers to that contract for all temporary and permanent works to be carried out under any contract.

SECTION ELEVEN

11.0 FIXED ASSET ADMINISTRATION

11.0 A detailed listing of all fixed assets and office inventory which are durable and last acquired which have a cost of CFr 100,000 or greater must be maintained.

11.1 Each fixed asset shall be allocated and branded with an identification number. To facilitate the tracking process, a separate card should be kept for each type of fixed asset (i.e. computer equipment; furniture; automobiles; etc.)

11.2 In addition to the location, detailed fixed asset records should be maintained which include the following:

11.2.1 Equipment description, date of acquisition and original cost.

11.2.2 Estimated useful life and depreciation method.

11.2.3 Classification number, location and staff responsible for use and Administration of the asset in the accounting software.

11.3 When a fixed asset is disposed, the card will show the date and the journal entry number that eliminates the asset and its respective accumulated depreciation calculated.

11.4 An annual account of fixed assets should be performed by the Accountant and reconciliation made with the fixed asset register. Additions, disposals and movements of fixed assets will be traced by control forms. The coordinator will review the report of the Accountant for authenticity.

11.5 The coordinator will ensure that the company vehicle is checked and serviced periodically. The condition of the vehicle will be recorded as inspected. Repairs and maintenance will be performed as necessary.

11.6 The purchase of fixed assets shall be in accordance with the procurement procedures of WEO. All purchases must be within the approved budget.

11.7 The Accountant shall be responsible for maintaining the assets register and for ensuring that appropriate insurance policies i.e. comprehensive motor vehicle insurance, fire, burglary and theft and all risk policies are in force always. Any loss of assets or any accident for which an insurance policy is in force shall be reported to the relevant authorities in writing through the official channels without delay. Claims should also be made to the insurers without delay

11.8 A written report on the fixed asset checks and the status of the insurance policies thereof shall be made to the Executive Director/Board annually.

11.9 Those charged with the responsibility over various assets must take reasonable care to ensure proper handling and to prevent loss or theft. Any losses or discrepancies must be reported promptly to the Organisation's head i.e. the Executive Director.

11.10 Disposal of assets shall be authorized by Administration in consultation with the auditor and the board.

11.11 The depreciation for fixed assets shall be calculated to write off the cost of the assets on a straight-line basis over their projected useful lives. The annual rates of depreciation applicable shall be as shown in table 2 below:

Table 1: Applicable Depreciation Rates on ARSGA Assets

Asset Type	Useful Life	Depreciation Rate
Land and Buildings	40 Years	2.5%
Furniture and Fittings	8 years	12.5%
Office Equipment	8 years	12.5%
Computer Equipment	3 years	35%
Motor Vehicles	5 years	25%

SECTION TWELVE

12.0 PROCUREMENT OF WORKS, SUPPLIES AND SERVICES

12.1 This section relates to the expenditures of funds for works, supplies and services entered by WEO.

12.2 All procurement of fixed assets or services shall follow WEO procedures especially about the worthiness, competition and transparency.

For all procurements, which are covered by this section, the following procedures apply:

12.2.1 Every procurement for works, services or supplies must be included in the approved budget or specifically allowed in writing by Administration and with approval of at least 2 members of the board where the item in question is very capital particularly land/buildings. No money should be spent for capital items, for which no written documentation exists.

1.2.2.2 Some form of price or cost analysis should be made regarding to every procurement. Such analysis may be accomplished in many ways, including a comparison of market prices or available price quotations/bids. The Accountant/Logistics department may request and obtain a price list from whose basis s/he may select the items to be purchased. Under no circumstance shall procurement be made without at least three Proforma invoices.

1.2.2.3 The form *Procurement Documentation for Goods or Services* should be filled out for every major procurement.

12.3 All procurements and procuring documents shall be approved in accordance with guidelines provided by Administration.

12.4 For all procurements above CFr. 500,000 at least three (3) quotations are required and all proposed sole source contracts are subject to the approval.

12.5 The Executive Director shall enter into the major supply, works and service contracts with third parties on behalf of the organisation through signing of standard contracts.

12.6 The Accountant shall be responsible for purchasing supplies for office use and stores with a value below CFr 400,000 after approval from the Procurement committee.

12.7 There shall be local and International competitive bidding for the procurement of works, supplies.

12.8 Administration may waive any form of competitive bidding prescribed above and authorize that procurement be obtained through direct negotiations between a specified contractor or supplier.

12.9 After evaluation of bids by Administration, and the responsible supervisor shall prepare a report with the relevant recommendations for contract award.

12.10 The standard contract, which is one part of the tender document, will be signed between WEO and the successful bidder. This standard contract document shall form the basis for subsequent orders and disbursement activities.

12.11 Any amendments or revisions to the contracts shall be approved by the Administration Committee. The supplementary contracts shall be signed after approval.

12.12 Advance payments, guarantees and retention money clauses will be clearly specified in the contract.

12.13 Local Purchase Order books and order letters should have serial numbers and be treated as accountable documents along with cheques, stores issue notes and receipt books. The Accountant shall maintain a register for the Local Purchase Order (LPO) showing serial

numbers of LPOs received, issued for use and those in stock. (See WEO Local Purchase Order Form)

12.14 Where necessary Local Purchase Orders must be placed for all goods and services for expenditure above CFr. 400,000 except for periodic service payments for telephones, electricity, water, rents, stationery and licences, etc.

12.15 The requisition for purchase of materials or the provision of services shall be initiated by:

12.15.1 Responsible Supervisor, in accordance with the operational budgets approved.

SECTION THIRTEEN

13.0 RELATIONS OF FINANCE DEPARTMENT AND OTHER DEPARTMENTS

13.1 All official correspondence to and from the Finance Department must be directed and channelled through the Executive Director.

13.2 The Finance Department must monitor all expenditures of WEO to ensure compliance with this finance policy, contract/procurement policy and budget availability.

13.3 The Finance Department should always work with the other departmental Supervisors to coordinate the proper expenditure of funds, timeliness and accountability of those expenditures.

13.4 The Finance Department has the right to deny any disbursements that are not in accordance with WEO procedures or policies. He may either send back the cheque request, along with the invoice, or call the Supervisor requesting the disbursement to communicate the reasons for denial.

13.4 When any new employee is hired, it is the responsibility of the Finance Department to induct this person in all financial transaction procedures.

13.5 The coordinator may request an existing employee to come in for training when problems are consistently reoccurring and where a problem persists the Finance Department will request the Administration to mediate between the staff and the Finance Department.

13.6 WEO staff and Administration must oversee all the financial procedures and regulations stipulated in this policy in respect of the day-to-day operations of WEO Any exceptions must be authorised and approved before hand by the Administration committee.

13.7 The Finance Department will organise its activities and functions in such a way that work of one employee is automatically checked by another to reduce errors or fraud unless through collusion.

13.8 The Executive Director will ensure that all records of the Finance Department are filled properly and correctly to ensure quick retrieval and access to information.

SECTION FOURTEEN

14.0 FINANCIAL REPORTING

14.1 The Accountant must present weekly, monthly, quarterly and annual financial reports to the coordinator.

The reports must present the periodical financial position of WEO and implications if any. Relevant reports shall be discussed in selected WEO staff meeting. Such reports should comprise of the following information:

14.1.1 on a weekly basis:

14.1.1.1 The expenditure for the previous week and forecasted expenditure of the coming week.

14.1.1.2 A cash report detailing out the cash balances on all active accounts.

14.1.1.3 A petty cash report showing payments made and current petty cash balance

14.1.1.4 An itemized list of all cheques issued out in the previous week

14.1.2 Monthly

14.1.2.1 A monthly Financial Report (income and expenditure statement, balance sheet, job costing report) showing disbursements made within the month and budget balances.

14.1.2.2 Bank Reconciliation Statement of all active accounts.

14.1.2.3 A budget report showing utilization per activity to the end of the month, the expenditure for that month, and any variances therein.

14.1.2.4 A forecast for the next month based on anticipated and budgeted activities within the month.

14.1.2.5 A petty cash reconciliation report for the month.

14.1.2.6 All unpaid vouchers if any.

14.1.3 On a Quarterly Basis

14.1.3.1 A quarterly Financial Report showing budget performance, variances, utilization and forecasted expenditure for the next quarter to enable the WEO schedule funding applications.

14.1.4 On an annual basis

14.1.4.1 Annual Report showing budget utilization.

SECTION FIFTEEN

15.0 ANNUAL EXTERNAL AUDIT

15.1 At least one annual external audit will be carried out on the administration of the funds. The Executive Director will make any financial checks she/he may deem necessary and may require any accounting document to be presented for this or any other purpose.

15.2 The Executive Director in consultation with the Board shall invite a selected audit firm in time to conduct an audit to enable either quick replenishment of funds or closure of a programme. Bidding for an audit should be carried out after every two years.

15.3 Administration may carry out any accounting, technical, administrative or legal check they consider useful or necessary, and for that purpose may demand to see any documents relating to the Organisation. The following is an illustrative but not exhaustive list of original documents to be kept at the organisation's offices.

15.3.1 Original documents relating to the general Organisation's accounts (including the register of capital expenditure and staff payroll).

15.3.2 Original documents relating to the WEO fund administration and Administration statement and the various operations covered by the statement (notably donor agreements, fund releases and statements of expenditures).

15.3.3 Original documents relating to the bank account (s) for the Organisation (credit and debit items, reconciliation and balances).

15.3.4 Original documents relating to contracts awarded (LPO's, invitations to tender, results of invitations to tender, evaluation reports, bids from suppliers, with pro-forma invoices where appropriate, etc. etc.)

SECTION SIXTEEN

16.0 STORES CONTROL

16.1 The Logistics coordinator will control the ordering, storage, issue and usage of stores materials. A planned flow of materials will be achieved through strict use of the work plans and projected estimated material requirements at WEO.

16.2 The Accountant shall be responsible for receipt, issue of supplies and maintenance of supplies in the store. (see WEO Requisition Note).

16.3 On receipt of goods, the delivery note or a copy of the invoice shall be signed by the person receiving the goods. The quantity and quality of goods must be checked and confirmed to be in order before the delivery note is signed by the Accountant. Or his/her designate. Shortages and returns if any must be notified to the supplier and the delivery note annotated to this effect. (See WEO Goods Received Note).

16.4 The signed delivery note along with the LPO must be sent promptly to the Finance Department pending the receipt of the invoice.

16.5 The Finance Department will receive supplier's invoices for payment, where payment is for a contractual nature, the officer who initiated the requisition shall fill out a payment checklist specifying expected outputs and deliverables and whether the contractor or consultant has complied with the contractual terms deemed necessary to effect payment. He will forward the checklist to the Accountant who will further verify the payment through a finance payment checklist (see WEO Payment Checklist).

16.6 Where an invoice is submitted for part delivery, a photocopy of the LPO or contract shall be attached to the invoice for payment.

16.7 The summary of payments shall be drawn in a schedule, which shall contain the following details:

16.7.1 WEO official purchase order numbers

16.7.2 Date of order

16.7.3 Suppliers invoice number

16.7.4 Amount for each invoice

16.7.5 Total for each supplier's invoices.

16.7.6 WEO cheque number, which will be inserted after the cheque has been written.

16.7.7 Amount of cheque.

16.7.8 Total for the batch of invoices.

16.7.9 Description of expenditure and appropriate code numbers.

16.8 The payment schedule along with the supporting vouchers and invoices shall be handed to the Accountant who will confirm that the procedure outlined above has been adhered to and that the correct expenditure codes have been used before authorising cheques to be written. If cheques will have been drawn before this for any reason, the Accountant must still confirm the authenticity of all transactions about the ordering, receiving and payment of goods.

16.9 The Executive Director will carry out ad hoc inspections at any time. The stocktaking should entail physical count of stock items and comparison of physical quantity with the amount shown on the store ledger.

SECTION SEVENTEEN

17.0 AUTHORIZATION LIMITS

17.1 The limits set for the various authorisation and delegated approval levels for LPOS, Vouchers, Petty Cash, cheques and contracts for the Executive Director and Accountant are shown in the WEO delegated authority and approval table below.

WEO
Table of Authority
January 2018

Ac = Accountant
Pt = President
Cr = Coordinator.
EO = Elect Officer
PC =Procurement Committee.

Activity	Preparer	Reviewer & Approver	Authorized Signatory
	Role: 1) Generate the original document, 2) Edit the text according to the Reviewers' recommendations	Role: 1) Examine the document's contents, 2) Identify errors, omissions, unrealistic deadlines, and other inaccuracies, 3) Recommend corrections in writing to Preparer	Role: 1) Sign the document/ch que, 2) Signature certifies the accuracy of the document
BANK ACCOUNTS			
Bank Account	ED	ED/BM	ED/Ac
Letter Notifying Bank in Change of Signatories	ED	BM	
CASH ADMINISTRATIO N			
Bank Deposits	Ac	ED	ED/BM
DISBURSEMENT REQUESTS			
Cheque/Wire Request	Requestor	ED	ED/BM
Advance Request	Requestor	ED	ED/BM
PURCHASE ORDERS			
Purchase Orders	Requestor	ED	ED/BM

Receiving Purchased Goods	Requestor	ED	ED/BM
DISBURSEMENTS			
Cheques	Ac	ED	ED/BM
Wires	Ac	ED	ED/BM
PAYROLL			
Payroll	Ac	ED	ED/BM
RECONCILIATIONS			
Bank Account Reconciliations	Ac	ED	ED/BM
BUDGETS			
Annual Non-Donor Budget	Ac/ED	ED	ED/BM
Donor Budgets	Ac/ED		ED/Cr/BM
Donor Budgets into Ac software	Ac	ED	ED/BM
FINANCIALS			
Weekly Cash-Flow Report, Prior to Issuing Cheques/Wires	FE	ED	ED
Monthly Balance Sheet and Income Statement	Ac	ED	ED/BM
Year-End Financial Reports	Ac	Cr/ED	ED/BM
CONTRACTS AND LEASES			
Contractual Documents (e.g., leases, amendments to leases, maintenance agreements, etc.)	Vendor (e.g., landlord, vendor) and Ac	Cr/ED	ED/Cr
FIXED ASSETS			
Purchase Assets with a Per-Unit Cost of CFr 400,000 or Greater	Ac/Cr	Cr/ED	ED/Cr/BM

Maintain Fixed Asset Register	Ac	ED/PC	ED/Cr/BM
Perform Annual Inventory of Fixed Assets	Ac	Cr/ED	ED/Cr/BM
PROCUREMENT OF SUPPLIES AND SERVICES			
Award Documents (e.g., contracts and awards from donors)	Sponsor (e.g. Donor), and Ac	ED	ED /BM
Consultant Agreements (including SOW and rate)	Cr/Ac requesting Consultant, and Ac	Cr/ED	ED/Cr/BM
Purchase Supplies With a Per Unit Cost of less than CFr 500,000	Cr/Ac	Cr/ED	ED/Cr/BM
PETTY CASH			
Petty Cash Advance Request	Ac	Cr/ED	ED/Cr/BM
Liquidation of Petty Cash Advance	Ac	Cr/ED	ED/Cr
Monthly Petty Cash Reconciliation and Replenishment Request	Ac	Cr/ED	ED/Cr
Random Petty Cash Audit	Cr/ED	Cr/ED	ED/Cr
AUDIT			
Competitively Bid Annual Audit	PC/ED	Cr/ED	ED/Cr/BM
SUPPLY INVENTORY			
Maintain Inventory and Order Supplies	Ac	Cr/ED	ED/Cr

TRAVEL			
Travel Advance Request	Requestor	Cr/ED	Cr/ED
Travel Expense Report	Requestor	Cr/ED	Cr/ED
PERSONNEL			
New Hires - Salary Determination, Offer of Employment, Hire Letter	Supervisor	Cr/ED	BM
Employment Agreements and Amendments	Cr	Cr/ED	Cr/ED
Employee Policy and Amendments	Cr	Cr/ED	BM
Pay scale and Amendments	Cr	Cr/ED	Cr/ED
Position Descriptions and Amendments	Cr	Cr/ED	Cr/ED
Annual Performance Appraisal (Including Determining SMART Goals for Next Period)	Supervisor	Cr/ED	Cr/ED
Annual Increase	Supervisor	Cr/ED	Cr/ED/BM
Disciplinary Action, Probation	Supervisor		
Termination	Supervisor	Cr/Pt	Cr/ED

SECTION EIGHTEEN

18.0 ACCOUNTING INFORMATION SYSTEM

18.1 The general ledger chart of accounts shall be based on the projected operations of angels and the approved budget.

18.2 The Finance System shall be based on a double entry system of book keeping showing all the sources of funds and all the expenditure and must be in local currency.

18.3 The income and expenditure statement shall be prepared on a cash basis i.e. income shall be recorded when it is received and expenditure shall be recorded when a cash expenditure is made.

18.4 Access to the use of computer used for accounting purposes shall be restricted to the President and the Accountant, using secret pass words and access levels approved by the Administration Committee.

18.5 Accounting transaction will be coded in such a way that final balances of the individual accounts can easily be produced in form of a trial balance to show the total figures for the individual category of assets, administration expenses, income accounts, sundry creditors, liabilities and fund accounts. As much as possible budget codes should signify and convey to budget codes in the running work organisation to provide uniformity in reports.

SECTION NINETEEN

19.0 FINANCIAL RELATIONSHIP WITH DONORS

19.1 All relationships between WEO and donors/funding partner shall be managed through an agreement signed by the funding partner and an Authorized representative or project Supervisor from WEO.

19.2 WEO will submit donor/funding partner reports in the prescribed formats with the necessary supporting documentation as required in the prefunding agreement within the pre-agreed reporting timelines.

SECTION TWENTY

20.0 FINANCIAL FORMS

20.1 These include both internal and externally generated form for use in recording financial information relating to the financial transactions of WEO.

20.2 The financial forms of WEO include but not limited to the following:

20.2.1 Petty Cash and Bank Vouchers

20.2.2 Purchase requisitions and orders

20.2.3 Bank Statements and reconciliations

20.2.4 Advance and expense forms.

20.2.5 Inventory Movement sheets.

20.2.6 Staff Payroll sheets.