

UNIMAC Financial Controls Manual

1 Delegation of Duties

1.1 Authority to operate

It is paramount that the delegation of duties is specified, documented, and filed. This is for the security and safety of the person/entity to whom the responsibilities are given, as well as for the integrity of the organization. These documents will also be available during the internal or external financial review.

1.2 Division of Duties

This manual sets out the different duties of staff and members of the organization regarding financial management. A key reason for the division of duties is to ensure that financial processes and controls are not managed by only one person. This process will protect the organization's credibility and transparency from fraud, misuse of funds, corrupt practices, and inappropriate behavior.

1.3 Temporary change in the delegation of duties

Where the DECIDED MEMBERS are unable to fulfill their delegated financial responsibilities due to absence, a designated member of the Management Committee (MC) will undertake those financial responsibilities.

1.4 Summary of responsibilities of the CEO/MC

The CEO/MC plays a critical financial management role. This is detailed in the sections that follow, and summarized below.

1.4.1. Financial Planning

- a. Prepare annual budgets.
- b. Undertake cash flow planning.
- c. Apart from more general donor and stakeholder liaison responsibilities, assist with financial aspects of donor liaison, including management of earmarked and in-kind contributions.

1.4.2. Financial Control

- a. Monitor the budget and align expenditures based on the coding system.
- b. Monitor project expenses and ensure purchases are compliant with the donor and partner implementer's policy.
- c. Ensure that financial control and procedures are in place, implemented, and complied with.
- d. Implement the authorization system for all expenses and financial commitments.
- e. Implement safe and cash regulations, including the regular cash count at the end of the month with the Finance Officer.
- f. Conduct monthly monitoring of the financial procedure and expenses to ensure ethical and appropriate practices.
- g. Sign off on checklist for monthly financial statements.

1.4.3. Financial Reporting

- a. Conduct monthly project progress analysis and liaise with the EMC, MC/Treasurer using the financial spreadsheet
- b. Monthly/ quarterly financial reports should be submitted to the EMC/MC(Management Committee)
- c. Report any suspected behavior of dishonesty and fraud to EMC.

d. Inform EMC of potential or actual deviations from the budget, and obtain approval.

1.5 Summary of responsibilities of MC and EMC

Since UNIMAC is a growing organization, the Management Committee(MC) has a vital role to play in financial management. This is summarised below.

1.5.1 The Management Committee

- a. Responsible for annual/ project or event budget approval
- b. Responsible for signing off on annual accounts.
- c. Responsible for the Financial Manual, including financial risk management policies(if available)
- d. Responsible for annual audit reports and responses.

1.5.2 The Executive Management Committee

- a. Responsible for pre-approving or post-approving sums above the relevant delegation levels.
- b. Responsible for monthly/quarterly budget monitoring.
- c. Responsible for responding to a financial emergency.

1.5.3 The Treasurer

- a. Responsible for monthly/quarterly budget monitoring (with EMC).
- b. Responsible for oversight of the audit process.

2. Budgeting and Funding

2.1 Budgeting

- The MC approves the annual budget.
- Budget overruns are to be approved by the Board of Directors and endorsed by the Board Chair

2.2 Request and Receipt of Funds

- Receipts must be written for all funds received.
- An acknowledgement should be promptly provided to the donor/funder's finance manager and the UNIMAC CEO/FO confirming the receipt of funds from the funders.
- The Finance officer matches the funds received into the bank account as stated on the bank statement, and sends email advice to funder. In any event of discrepancy that is not related to bank fees, contact the funder and the Board of Directors.
- Funds will be transferred from the funder to UNIMAC as per the Working Agreement, normally every three months (in the case of a permanent funder). If there is a cash shortfall or excess, EMC and the funder should be informed.
- Donors' funds are to be receipted and tracked separately. Donations in cash are to be recorded in a funds register, and donations in kind in a pro bono register.

3. Expenditure Guidelines

3.1 Expenditure Authorisation

- Expenditure must be within the approved budget. (See 2.1 for budget overruns.)
- Expenditure must be approved by the appropriate staff member/s, depending on the amount (see Annex 1a, which sets out the delegation framework).
- All requests for purchase orders are prepared by the relevant worker, approved by the relevant supervisor, and submitted to the Finance Officer
- Purchase orders are approved before the acquisition takes place.
- Invoices must be complete in terms of the quantity of goods supplied or services rendered.
- Goods or services purchased must be verified at the time of delivery or pick up from the

supplier, as those ordered, before the supporting documentation is processed for payment or acquittal of the advance.

3.2 Purchasing Guidelines

- No UNIMAC Member shall accept any personal gifts or incentives from any suppliers and must declare and register all gifts to the organization.
- Procurement procedures should ensure that purchases are efficient (i.e., the process is transparent, fair, and uses an appropriate method) and effective (i.e., the price, quality and quantity, and contribution to outcomes are correctly identified and described, price options are rigorously assessed and any contracts are diligently managed).
- Cost is not the only factor determining value for money. Consideration should also be given to: fitness for purpose; performance history of each prospective supplier; relative risk of each proposal; and flexibility to adapt to possible changes.
- For purchases of 200,000 CFA or less direct procurement process can be used. I.e., no quotes are required; however, where possible, prices and quality from alternative suppliers must be checked from time to time to ensure the best value for money. Evidence of a regular check must be held on file for audit purposes.
- For purchases greater than 200,000 CFA, a competitive quotation process must be used. At least three competitive quotes must be obtained. Where three quotes for the item are not available a 'Bid Waiver Form' must be completed giving reasons why three quotes were not obtained. Whoever is responsible for approving the expenditure must approve the Bid Waiver prior to the order being approved.
- Purchases above 200,000 CFA (of a single item or of several items purchased together) must be documented and signed off on through a Purchasing Internal Documentation Form (PIDF). Who signs the PIDF depends on the value of the purchases:
- The PIDF must be filed with the receipts (and bids if greater than 400,000CFA or Bid Waiver Form) and other relevant documentation (e.g. minutes of EMC at which purchase approved if EMC approval required; cheque).
- Travel and hotel bookings do not require a competitive quotation process when this is not practicable. In these cases, the GC/EMC and individuals involved will be responsible for ensuring that value for money is obtained from plane and hotel bookings.
- The payment of goods must not be split to avoid the purchasing controls above.
- When several goods are being purchased, judgment is required as to whether they need to be combined and considered together or separately. If various flights and hotel bookings are being made to finance a trip, they do not require to be treated together with a single PIDF. But if various purchases are being made at the same time, they should be treated together. If you are in doubt, put the purchases together into a single PIDF.

3.3 Expenditure Receipts

- Expense documentation must be filed in a manner that allows for easy retrieval of the documentation as and when required. The finance officer/ Administrative Assistant is responsible for determining the most appropriate filing system for the project to ensure easy reference and retrieval.
- The expenditure account code, including the project code, must be written on the supporting documentation for all expenditures.

- The related supporting documentation must be stamped “PAID” regardless of whether it is paid by cash, cheque, or bank transfer.
- The payment reference number and date paid should be recorded on the payment documentation.
- Receipts must be recorded in the month in which they relate, and must not be backdated after the relevant month to which they relate has been closed off.
- Hotel receipts must be retained and sent to the Finance Officer for filing with relevant receipts (scanned copies are acceptable).

3.4 Payroll

As of now, UNIMAC does not pay its members. They work on a volunteer basis and receive motivation/allowances for services offered

4. Cash Management

4.1 Cash Payments

- Cash payments will be avoided wherever possible. However, some payments by cash will be unavoidable.
- UNIMAC will operate with a cash box. The cash box will hold the minimum amount of money required for program operation for a week or fortnight (petty cash) as determined by the BOD
- The CEO, Finance officer designated and a member of the BOD are the only persons authorized to process bank withdrawals and to transfer cash to the office petty cash.
- The cash box will be accessible by the Finance Officer.
- When cash is given out to or returned from staff, the responsible staff person must sign for the cash received or returned in the petty cash book.
- The petty cash book must record all in ingoing and outgoings from petty cash.
- Apart from cash required during travel, only cash payments not exceeding 25,000 CFA per single purchase are made from petty cash. All supporting documentation for each purchase must have the original receipts from the supplier and approval of purchase from the finance Officer or CEO.
- Cash payments can be used when staff are hired as daily labourers. Such payments are made on the basis of “Daily Workers Payment Forms” (if applicable, we will create one) which are signed by the authorizing supervisor, as well as by the recipient of the payment, and the maker of the payment.
- Replenishment of the petty cash funds is done as the need arises.
- Cash counts are undertaken by the Administration Assistant and signed off by the Finance officer every week and at the end of every month.
- Petty cash is reconciled by the Finance Officer on a weekly and monthly basis.
- Cash discrepancies are reported to the Board of Directors.
- Cash counts take place when responsibility for the cash is handed over from one person to another.

4.2 Cash Advances/ Pre-financing

- Cash advances are provided by “Cash Advance Forms,” which are prepared by the Administrative Assistant for approval by the CEO/FO
- Cash advances are liquidated with “Liquidation Forms,” which itemize the expenditures and

have receipts attached. Liquidation forms will only be accepted while providing all original receipts and documentation. Liquidation forms must be signed by the relevant staff member and countersigned by the designated member. The liquidation form is filed with the cash advance form and receipts.

- The cash advance must be recorded and monitored until the items have been purchased and all necessary documents are settled with the Administration Assistant and cleared with the Finance Officer.
- No further advances will be provided until outstanding advances have been settled. Before advancing more funds, the Finance Officer must always check previous advances.
- Advance and liquidation forms are filed together with the relevant receipts.
- The Finance Officer ensures that no cash advances are given out that have not been justified.
- **(a) Cash Advances relating to travel**
- Cash advances can be provided to staff who will be undertaking a work-related travel outside the area of operation.
- Such work-related cash advances must be requested a week in advance, except in cases of emergency.
- They will be given only if approved by the supervisor.
- While per diems do not need to be supported by receipts, other travel related expenses do.
- All advances must be settled on the same day, for travelling staff once they are back from the training or field and on the first day of reporting back to the office.
- **(b) Cash advances relating to purchases**
- See the general information under advances and purchases above.

(c) Personal staff advances

- The organization does not allow personal staff advances at all.

4.3 Bank Payments and Statements

4.3.1 Cheques and Bank Payments

- Cheques are issued based on “Cheque Payment Advice” forms (to be created). These forms are prepared by the Administration Assistant and authorized by the Finance Officer. In the absence of the CEO, the Program manager takes over the authorisation role.
- The bank account must be in the name of UNIMAC
- Additions to bank signatories must be approved by the Board of Directors and endorsed by the Board Chair.
- The CEO /Board of Directors is responsible for ensuring that the bank is notified of any changes to signatories immediately.

- The list of authorized bank signatories must be confirmed with the bank at least on an annual basis. The confirmation must be held on file for review by the auditors.
- The authorized person to sign a cheque is given by the authorization levels
- Only authorized persons are to sign cheques. Cheques are crossed as payee only non-negotiable, and they bear the name of the account holder.
- Blank cheques must NEVER be signed.
- Staff are not permitted to override their designated signing levels by dividing payments and creating multiple cheques.
- The Finance Officer and CEO are responsible for ensuring that the cheque books are held in a safe location.

4.3.2 Direct bank transfers

- Direct bank transfers are preferred to cheques and to be used whenever possible.
- Authorisation rules for direct bank transfers are the same as per cheques.

4.3.3 UNIMAC's bank account

- The main bank account for UNIMAC will be in BAMENDA.
- The signatories for the account will be the designated Board members. Authorization of these expenditures is the responsibility of the signatories.

5. Accounting and Reporting

5.1 Monthly /quarterly financial accounts

- Receipts should be entered daily into the project financial spreadsheet /QuickBooks using the expenditure coding, which categorizes receipts into budget lines (if applicable).
- The project financial spreadsheet/QuickBooks report should be prepared on a monthly/quarterly basis by the Administrator on a cash accounting basis. The reported receipts and expenditures should be the total receipts and expenditures of the project. All detailed documentation, receipts, and records of receipts and expenditures by the project should be kept safely and confidentially for internal and external audits.
- The monthly/quarterly accounts will consolidate UNIMAC's accounts.
- A monthly/quarterly financial spreadsheet/QuickBooks report must be sent to the Board of Directors.
- The Board is to review accounts every quarter.

5.2 Submission of reports

- Reports to be submitted Finance Officer (approved by the CEO/BOD on a monthly/quarterly basis:
 - Financial spreadsheet/QuickBooks report
 - Petty cash count at the end of the month
 - Bank statement
 - PIDF register
 - Funds register

- Stakeholder resourcing register (for purchases for other organizations)
 - Financial checklist.
- The Finance Officer will submit the reports to the BOD for feedback and comments.
 - The financial spreadsheet reports must be submitted to the BOD by the 12th day following the end of the month for feedback and comment.
 - Quarterly financial reports will be circulated to the Board Chair in line with Board meetings.
 - The BOD can also assist in the preparation of the financial spreadsheets based on information provided by the CEO/BOD.
 - Quarterly, six-monthly, and annually, financial reports are to be prepared similarly. Note: The July-June fiscal year is used.
 - After review and approval, the CEO or the BOD will submit reports as required to its funders and donors

Acronyms;

CEO	CHIEF EXECUTIVE OFFICER
Delegation framework	Defined member/position within the organization and level of authority for financial expenditure
BOD	Board of Directors
Financial spreadsheet	Monthly project expenditures
MC	Management Committee
Per diem	Defined daily allowance for staff carrying out work-related travel outside the area of operation
Petty cash(Cash box)	A weekly or fortnightly amount of cash that is accessible for daily expenditure
PIDF	Purchasing Internal Documentation Form

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