FINANCIAL AND ACCOUNTING POLICIES AND PROCEDURES MANUAL

FOR CHARITY EMPOWERMENT FOUNDATION (CEF).

www.cef-ss.org

1st Floor, Yaro Plaza, Addis Ababa Road, Hai Cinema.

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Endorsed by the Board of Trustees on 3rd January 2021

Record of Policy Review:

Date Policy was Issued	*Date of Review*	*Reason for Review*	*Lead Reviewer*	*Additional Comments*
13th Dec 2017	20th Oct 2020	Incorporate changes to reflect current Legalisation, Accounting and Financial environment.	Yossa Emmanuel.	Policy is updated now.

ACRONYMS

CD- Country Director

CEF-Charity and Empowerment Foundation

CEO- Chief Executive Officer

NGO-Non Governmental Organisation

GAAP-Generally Accepted Accounting Practices

IFRs-International Financial Reporting Standards

PV-Payment Voucher

PVL – Preferred Vendors List

PRF – Purchase Request Form

RFP – Request for Proposal

PO – Purchase Order

PA – Programs Associates

FO – Finance Officer

FM – Finance Manager

PM – Programs Manager

OGM- Operation and Grant Manager

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Chapter One

Introduction

Welcome to the CEF Financial Policies and Procedures Manual. Treat it well and find it easy to use.

Charity and Empowerment Foundation (CEF) is a Non-Governmental Organization (NGO) working towards empowering communities to improve their living conditions, fight poverty, and eradicate illiteracy and discrimination against women around the world. As a rapidly growing organization, CEF would like to develop and implement sound financial systems that comply with local laws and internationally accepted accounting standards and procedures generally applicable to not for profit organizations.

Mission Statement

"To lead positive social change in order to improve the lives of poor and vulnerable population by combating illiteracy, injustice, inequality, and poverty".

Vision Statement.

"CEF envisions a free and empowered South Sudan where people are equal regardless of tribe, gender, and political affiliation".

1.1 Welcome to the CEF Accounting Manual.

CEF's financial system encompasses to the extent possible the personnel, resources, systems and activities that work together to carry out in an effective manner the financial and accounting functions of the Organization. This manual seeks to streamline the functions of all the elements within this system to ensure that all the activities of the Organization are carried out in a systematic manner so as to safeguard and add value to assets as well as facilitate and enhance financial reporting.

The implementation of sound financial and accounting systems is therefore designed in such a way as to ensure that:

a) All transactions are executed only upon proper approval and authorization.
b) Fraud and errors are minimized, detected and prevented.
c) Accurate and complete accounting records are maintained.
d) Financial information is timely prepared to as to ensure that Financial Statements are fairly and accurately presented.
e) Ensure compliance with applicable laws, financial policies and regulations.
f) All assets are safeguarded in a healthy control environment.

1.2 Purpose and Scope of this Manual

a) The key purpose of designing this accounting policies and procedures manual is to provide guidelines to all staff at CEF, particularly the Finance, Accounting and Budgeting staff for the orderly execution of their respective responsibilities for the purpose of preparing the Organization's Budgets and financial statements.
b) These guidelines provide sets of operating and reporting financial standards and practices which comply with internationally accepted accounting standards.
c) They also aim at ensuring that key financial guidelines and requirements as well as those of well managed organizations (Best Industry Practices) within the not-for-profit sector have been taken into account.
d) The manual aims to set out the basic framework of systems that will provide adequate levels of internal controls including budgetary control.
e) The manual also aims at ensuring and promoting the principles of accountability and transparency generally referred to as good corporate governance code.

1.3 Authority of the Manual

a) In developing this manual, consideration was given to all applicable International Accounting Standards, and the requirements of the South Sudan companies Act, 2016.
b) The manual also has the approval of the Country Director and the full authority of the Board of Trustees. Failure to comply with any policies and procedures contained in this manual may render an employee liable to disciplinary action. A plea of ignorance will not be acceptable as an excuse for non-compliance.
c) If for any reason a given policy or procedure cannot be implemented, it would be incumbent upon the responsible official to notify the immediate senior in writing detailing the circumstances and submitting an alternative policy or procedure for the approval of the Country Director, who shall either endorse or reject the exception and the procedure to be valid as a replacement.

1.4 Scope of the Manual

This manual is intended to cover all aspects of the control environment of the financial system of CEF Organization. It seeks to touch on all areas of the system that instills order, direction and focus for efficient and effective performance at all levels of management.

The First chapter introduces the entire work, outlining its purpose and objectives, as well as emphasize the necessity for updates and revision.

Chapter Two sets forth the guiding principles, detailing the relevant concepts and conventions of the financial system.

Chapters three through twelve sets out the policies and procedures framework for all aspects of the system. They establish points of reference for all the areas of the system consisting of Cash and Treasury Management, Expenditure control management, Property, Plant and Equipment, Procurement and Inventory management, Payroll management, Grants management, Chart of Accounts and Operating Software, Budgeting and Budgetary control, Financial reporting and Audit framework.

1.5 Updates and Revision

a) This is a living manual which will continuously be adapted and aligned to the environment in which CEF operates. The manual shall therefore be revised annually with the approval of the

Chief Executive Offer of CEF on advice from the Finance department and the endorsement of the Board of Trustees.

b) Suggestions and ideas on how the manual could be improved should be forwarded to the Head of Finance who would liaise with the Country Director to effect the necessary identified changes for the endorsement of the Board of Trustees.

1.6 Effective Date

Implementation of this manual shall be effective after the Board endorsement.

Chapter Two

General Guiding Principles.

2.1 Accounting Method.

It is the policy of CEF to apply the accrual basis of accounting for the entity wide Financial Statements during the fiscal years. CEF would adopt the cash basis for specific grants or reports. This basis recognizes income when earned and expenses when incurred.

2.2 Foreign Currency Transactions.

a) It is the policy of CEF that all transactions in local or other currencies be translated into US dollars at the Bank of South Sudan official rate of exchange prevailing on the transaction date.

b) Year end balances in local currency are translated into US Dollars at the year-end South Sudan Central Bank exchange rate.

2.3 Revenue Recognition

a) It is the policy of CEF that grants are recognized as Income/revenue upon receipt of the funds into Bank account or upon fulfillment of the requirements agreed on in writing with each Donor Agency.

b) Grants represent support with donor-imposed terms and conditions and could be restricted/conditional or unrestricted/unconditional. Unrestricted grants are received in support of development agenda and for general administration.

c) Restricted grants are received in support of specified projects or activities mutually agreed with the donors.

2.4 Matching Principle

The matching principle states that revenue is reported when earned and expenses are reported as incurred and should be matched against revenue, even if no cash outflow has occurred. This is the rationale for the accrual basis of accounting.

2.5 Prudence

I. Prudence is the inclusion of a degree of caution/Professional assumption in the exercise of the judgments needed in making the estimates required under conditions of uncertainty, such that assets or revenue are not overstated and liabilities or expenses are not understated.

ii. The prudence concept states that revenue and income are not anticipated but are recognized by inclusion in the income statements only when realized in the form of cash or other assets or when the ultimate cash realization can be assessed with a reasonable degree of certainty.

iii. All known liabilities are provided for whether their amounts are known with certainty or are a best estimate in the light of the information available.

iv. Where the matching concept is inconsistent with the prudence concept, the latter will prevail.

2.6 Accrual Principle

It is the policy of CEF to accrue revenue and expenditure at year-end to reflect unrecorded transactions that affect the year then ended. In order to meet the requirement of GAAP, CEF's entity wide financial statements shall be prepared on the accrual basis. This is to ensure that revenue and cost are;

I. Recognized when earned or incurred, not necessarily when money is received or paid.

ii. matched with each other so far as their relationship can be established or justifiably estimated, and

iii. Dealt with in the income statement for the period to which they relate.

2.7 Historical Cost Principle

a) The financial statements of CEF will be prepared under the historical cost convention.

b) Historical cost implies that the carrying value of assets is based on their purchase price. Where the historical cost convention is departed from, this should be stated in the accounting policies or Notes to Financial Statements, specifying the nature of departure.

c) However, gifts in kind (GIK) received such as Non-Current assets or services received from donors should be recorded at the fair values of the asset on the date of the transaction or actual fees paid by donors for such services, respectively.

2.8 Going Concern

a) The Financial statements shall be prepared on the assumption that CEF is a going concern and would continue in operation into the foreseeable Future-At least for the next twelve months after the Statement of Financial Position date.

b) It is assumed that the institution has neither the intention nor the need to liquidate or curtail materially the scale of its activities unless there is an intention to liquidate the entity.

c) If the intention to liquidate the entity exists, the financial statements may have to be prepared on different basis and, if so, the basis used shall be disclosed.

2.9 Consistency

The consistency concept explains the fact that there shall be consistency in the methods and basis for the treatment of similar accounting variables:

a) Within each accounting period and.

b) From one accounting period to the other.

2.10 Fair Value Principle

a) Fair value is the amount at which the asset could be bought or sold in a current transaction between willing parties.

b) Prevailing market prices are also used to determine fair value.

2.11 Disclosure Principle

This requires the presentation of sufficient information to permit the reader to reach an informed understanding of the financial statements.

2.12 Accounting policies

a) Accounting policies are the specific basis judged by CEF to be most appropriate to its circumstances and adopted for the purposes of preparing financial statements.

b) Accounting policies applied should be based on GAAP. In the absence of a GAAP standard that specifically applies to a transaction, other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is reliable and relevant to the decision making needs of users, in that the financial statements:

I. represents faithfully the financial position, financial performance and cash flows of the entity;

ii. Reflect the economic substance of transactions, other events and conditions and not merely the legal form;

iii. are free from bias;

iv. Are prudent; and

v. Complete in all material respects.

c) Where circumstances permit more than one accounting basis, the choice of policy can significantly affect reported results and financial position. Management shall therefore ensure that:

I. The view presented can be properly appreciated by clarifying the policies followed in dealing with significant items.

ii. The choice and disclosure of accounting policies are carefully made to promote the appreciation by users of the Organization’s financial statements.

Chapter Three

Cash and Treasury Management.

The purpose of this section is to set policies and procedures for the CEF's cash and bank accounts. These policies and procedures aim at ensuring that cash and bank transactions are based on proper authorization, as that they are properly controlled and monitored, and that they are properly classified in the accounting records.

3.1 Selecting CEF's Banks.

CEF shall operate both local and foreign bank accounts. It is the policy to consider the following in selecting the Organization's banks;

a) Good local and international reputation and management.

b) Size of capital base in the country (must meet all Bank of South Sudan registration and operating requirements).

c) Widespread bank Network in the country.

d) Adequate links with correspondent banks to facilitate transfer of funds.

e) Satisfactory rating according to an independent agency.

f) Quality of services (professional behavior, internet banking, sms banking, etc), cheques and payment facilities.

g) Competitive Cost of Transfer charges.

h) Competitive interest/Maintenance charges.

i) Competitive interest on deposits.

3.2 Authorized Signatories

Purpose.

To document check signing authority.

Policy.

a) It is the policy of CEF to have two authorizing signatories for all payments; Category A and Category B signatories for this purpose.

b) Category A shall denote transaction approving signatory from the Administration/Operations Department; in this case the CEO and the Country Director, Programs Manager, Finance Manager and Logistics Manager.

- c) Category B shall denote financial authorizing signatory from the Board of Directors-Two 2 members of the Board and/or Finance Committee; in this case the Treasurer and in his/her absence, the Deputy.

d) Limits on each authorizing signatory as per the approval matrix shall be strictly adhered to.

E) Any change to check signing authority must be authorized by the CEO.

f) Whenever the situation arises that an officer is not available to endorse a payment, designated officers may be authorized to endorse payments, provided the CEO shall approve such an arrangement by a letter to the bank.

g) No officer shall issue and sign a payment document such as a cheque in a situation where he is the direct beneficiary. In such circumstances the payment must always be signed by any other senior officer authorized to do so.

h) The finance staff shall maintain a register of cheques and electronic fund transfers issued by CEF, and cheque and such listings are presented to the CEO for review during Bank reconciliation approvals.

h) The Finance/Administration Manager is responsible for ensuring that cheque signatory information with banking institutions is up to date and separately filed.

3.3 Managing Bank Accounts.

Bank Account Opening.

Purpose

To document proper procedures for opening new bank accounts.

Policy

a) It is the policy of CEF to operate both US Dollar and SSP bank accounts in accordance with part 3.1 of this manual. Alternatively, accounts shall be set up in such manner as prescribed by the grant agreement. For Instance, accounts should be maintained in the Currencies specified by each Donor.
b) A separate designated bank account should be opened for each grant/donation, and all Donor related revenues should be deposited and Program and operating expenditures should be paid from this account, unless otherwise agreed with donors.

c) The decision to open or close any bank account shall be authorized by the Head of Finance and approved by the CEO. The Head of Finance shall also maintain a log of all bank accounts opened by the Organization in a separate file.

d) All the bank accounts shall be reconciled monthly by the Finance Officer or his delegate, reviewed by the Finance Manager and approved by the Country Director.

e) Bank reconciliations should be prepared and reviewed within four (4) working days after the end of the month.

f) No staff, BOD and any representatives are allowed or authorized to secure loans, overdrafts, nor to incur deficits on behalf CEF.

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

h) To reduce the impact of devaluation of the local currency, CEF Organization will keep funds in hard currency accounts and convert to local currency only when needed to be spent in local currency.

I) Available funds will be kept in interest bearing accounts, if possible.

j) If the funds are to remain unspent for a reasonable period of time, CEF BOD's may consider investing such funds in term deposits or similar rate instruments or as advised by the Donors.

3.4 Bank Accounts Closure.

Purpose

To document proper procedures for closing bank accounts.

Policy

1. The opening or closing of a bank account is properly authorized.

2. A bank account that is inactive or has a zero balance for more than six months should be closed, unless there is a justification to keep it open.

3. The closing of a bank account is to be recommended by the CEO with advice from the Finance Manager and approved by the Board of Directors.

4. Unused checks related to the closed bank account should be returned to the bank upon closure of the account.

Procedures

All bank accounts should be reviewed by the Finance Manager on a monthly basis to determine that a business reason still exists for the continuation of an account. If it is determined that no reason exists for keeping an account open, then the account should be closed.

Before starting the closing process, the following should be performed:

5. The Finance Officer should prepare a bank reconciliation for that account to

• determine outstanding checks and arrange payments, The Finance Officer should invalidate all unused checks and hand them to the Finance Manager,

•The Finance Manager should ensure that all unused checks were accounted for using the serial numbers of used, voided and remaining checks handled to him by the Finance Officer, and submit them to the Country Director, in return should be returned to the bank.

6.The Finance Manager should prepare a written request/bank account closing letter and send it to the CEO for approval. The following must be included in the request:

•Bank name, address, and bank contact and phone number.

• Bank account number.

•Disposition of closing bank balance and statement.

•Approval by the proper personnel or donor, if needed.

7. The request letter should be approved by the CEO, and submitted to the Chairman of Board of Directors for approval. Upon receipt of the properly authorized request, the Financial Manager if requested, should notify and arrange with the bank where any remaining bank balance is to be transferred. Once the account has been closed, the Finance Manager should notify the Finance Officer to deactivate the account in the general ledger.

8. A copy of such letter must be kept in a separate file in the Finance Department.

k) Check Issuance, Wire Transfers, and Cash Disbursements

Purpose

To provide guidelines for the request of a manual check,

I. Unused cheque books shall be safeguarded in a safe or otherwise under lock and key by the Head of Finance and a register shall be maintained to record issues.

ii. All cheques must be signed for by the receiving officer.

iii. The Finance Manager shall check all new cheque books to ensure that all cheque leaves are intact when received from the banks.

iv. All cheque books and leaves must be issued in numerical order

v. All manual checks must be requested and properly authorized on a Payment Request Voucher supported by original documentation and signed by authorized personnel.

vi. Signed cheques that have not been distributed will be safeguarded under lock and key.

vii. Under no circumstances will blank cheques be signed.

viii. Voided Checks

1. it is the policy of CEF to maintain voided cheques log and document every cheque that has been voided regardless of the reason.
2. If voided cheques are physically available, they will be stamped “VOID” and filed with the canceled cheques for that month or stapled to the cheque book counterfoil.

x. Outstanding Cheques (Over 3 months old)

1. It is the policy of CEF to call or write to the payee and inquire whether cheque was received or not.

2. If the cheque is lost, CEF will issue an immediate stop payment letter and consider issuing a replacement cheque upon verification by the bank that the cheque has not been cashed.

3. if the cheque has been cashed, the Organization shall initiate an investigation to probe the matter to the bottom and take immediate correcting control measures to prevent recurrence.

xi. Disbursement should be based on the approved budgets.

3.4 Bank Reconciliation Statements

Purpose

To properly perform the monthly bank reconciliation.

Policy

a) It is the policy of CEF to have bank reconciliation statements prepared on monthly basis for all bank accounts even if the balance per cash book agrees with the balance per bank statement or the bank statement is zero.

b) Bank reconciliation statements will be prepared by the Finance Officer or his assistant and the reconciliation should be prepared in the original currency of the account.

c) The completed bank reconciliation statements and documentation of voided cheques shall be reviewed by the Finance Manager.

d) The reconciled statements shall be approved by the Country Director and filed by the Finance Officer safely and separately.

3.5 Guidelines for Preparing Bank Reconciliation Statements

a) Bank reconciliation statements shall be prepared and approved within five (5) working days after the end of the month.

b) The ending balance of the bank ledger and the bank statement should be the same.

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

d) Ideally, the bank reconciliation should be prepared by someone who does not authorize disbursements.

e) The Finance Manager should review and endorse the reconciliation. The Country Director will approve the reconciliation statement.

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

g) All cheques not cashed after 3 months (90 days) from the date of issue should be investigated by the Finance Manager. With the consent of the Finance Manager, stale cheques should be written off immediately as they become invalid-After Six (6) months.

h) Any unexplained difference between the bank statement and the accounting records should be promptly investigated by the Finance Officer with the express approval of the Finance Manager.

I) where the reconciling item requires an adjustment to the accounting records, a non-standard journal voucher should be used, and the reference for the subsequent adjustment should be noted on the reconciliation.

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

k) The reconciliation must contain complete descriptions of the reconciling items:

I. Copy of the General Ledger page showing the cash book balance.

ii. Complete list of outstanding cheques, including dates.

iii. Copy of the summary of deposits and record of all transfers.

iv. The original bank statements.

v. Originals of all bank statement enclosures, i.e. debit and credit memos and advices, transfers advices, etc.

vi. Any other documentations and working papers.

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

3.5 Petty Cash Management

Purpose

Petty cash funds allow cash to be made available to departments and activities to facilitate cash payment for minor expenditures while maintaining proper control.

Policy

a) It is the policy of CEF to operate an imprest system that shall be under the responsibility of the Finance Officer for payment of authorized out-of-pocket expenses and minor expenditures.

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

c) The cash float to be held should be determined on the basis of the daily cash requirements at the office.

e) In any event, the cash float shall be exceeded, then an express written authority of the Country Director shall be sought.

f) The cash float shall not be reimbursed until:

I. The balance falls to 10% of its total.

ii. A reimbursement request and a voucher with the attached valid bills, invoices, receipts and the summary account of expenditure have been submitted to the Finance Manager.

ii. The total expenditure has been checked and approved per the approval matrix.

iv. Reimbursement shall not exceed total vouched expenditure per the summary sheet.

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

h) Any claimant of petty cash shall endorse the relevant section of the voucher to confirm receipt.

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

k) Cash receipts should only be deposited into petty cash if the amount does not exceed the individual petty cash transaction limit and the established petty cash limit is not surpassed.

l) The petty cash is to be held in a locked cash box and stored in a secured steel reinforced fire proof safe during the day and overnight. Moneys should not be left unsecured or unattended at any time.

m) Petty cash should be counted on weekly basis and cash certificates issues. On the last day of the month, petty cash must be counted so that expenses can be reported within the month they occurred.

n) Certificate of Cash Balance must be issued after the cash count, prepared, witnessed and approved by separate persons.

Cash handling limits per Office:

Cash Limits	Juba	Awerial	Wanyjok
SSP	150,000	50,000	50,000
USD	300	100	100

3.6 Cash Receipts.

Purpose

The purpose of this section is to set guidelines for CEF to receive, record, and follow up on grants.

Policy

a) Funds are deposited into and disbursed from designated bank account for each donor and will be spent on specific activities (sub-components) predefined by each donor as per the budget. This policy is not effective and is not applicable if requested otherwise by donors. Commingling of funds between bank accounts is not permitted unless approved in writing by all related donors

c) It is the policy of CEF to list all cheques and other inward remittances on a Daily Cash/Cheque Receipts Register. The Finance Officer shall review the bank statements on a daily basis to determine any receipts.

For receipts with differences between the payment and the grant agreement:

I) if the amount is a partial payment, apply the amount received.

ii) If the difference in payment is not explained in correspondence from the donor, apply the receipt to accounts receivable and contact donor to determine if the remaining balance is to be collected.

iii) If there is correspondence with the donor indicating an amount in dispute, discuss the application of the receivable with the Finance Manager.

d) The register with the remittances and supporting documents should be passed to the Finance Officer who will sign both copies as evidence of receipt.

e) On receipt of the mail or of any amounts paid into the accounts office, the Finance Officer shall take the following actions:

I. Endorse cheques and other negotiable documents with the Organization's name and bank account.

ii. Ensure that the name, details and date have been entered correctly. Postdated cheques and cheques which have different amounts entered in words and figures will be referred to drawer for amendments.

iii. Issue a formal receipt.

iv. Prepare bank pay in slip in triplicate. A suitably designed bank pay in slip books will enable the Organization process all receipts including direct transfers using the bank stamped second copy of the pay in slip. The third copy will remain in the deposit book.

v. Retain any credit transfer advices on temporary files until they are confirmed by the bank.

vi. The Finance Officer shall input transactions into batches in the cash receipts book and send batch input summaries to the Finance Manager for verification

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

- the top copy shall be handed or dispatched to the payer.
- the second copy shall remain in the receipt book. If for any reason, a receipt is cancelled or not usable, the original must be firmly fixed to the receipt book.
- Unused receipt books shall be held under lock and key by the Finance Manager who will be responsible for issuing them to the Finance Officer.

viii. All receipts issued shall be checked against deposits by the Finance Manager for completeness of banking of cash receipts.

ix. Direct credit transfers to the Organization's bank accounts should be recorded from the bank statement.

f) It is the policy of CEF to bank all cash and cheque receipts intact.

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

h) All donor receipts shall be authorized by the Finance Manager and approved by the Country Director before posting by the Finance Officer.

f) The Finance Manager shall prepare requests for disbursement based on the approved work plans and cash flow projections for expenditures and submit it for review by the Country Director.

g) The Finance Manager shall also follow up with donors to make sure that the donor transfer the amount requested on timely manner.

h) The Finance Officer should send receipt voucher to the donor/payer.

I) The Finance Officer files the Cash Receipt Slips and other supporting documents in the accounting files.

J) The Finance and programs staff shall report to donors through the Country Director in accordance to the agreement signed and as further detailed in the Reporting section of this manual.

3.7 Prepayments

Prepaid Insurance, Rent, Rates and other utilities shall be classified under receivables. All expired portions of the amount pre-paid shall be expensed by passing a Journal Voucher to the appropriate account. The unexpired portion shall be carried to the Statement of Financial Position and classified under receivables.

3.8 Foreign Exchange Exposure Management

a) It is the policy of CEF that significant local currency balances that have no immediate use shall be deposited in stable hard currency accounts to prevent possible exchange losses.

b) Assets of the Organization should not be invested on speculative grounds. As a policy CEF shall not engage in hedging and foreign exchange speculative practices of any kind.

c) Prompt payment of liabilities will generally keep foreign exchange transaction exposure to a minimum

d) Exposure in excess of USD500 in a currency other than the US$ must be reviewed by the Finance Manager.

e) Translation exposures are defined as currency mismatches of balance sheet assets and liabilities.

f) CEF will not actively review this mismatch. Efforts to contain and minimize transaction exposure will be adequate to counter any potential translation exposure.

3.9 Cash flow statement

The following definitions shall apply in the preparation of the statement of cash flows of CEF in their annual financial reports:

a) Cash and cash equivalents shall comprise cash on hand, current bank balances and short-term deposits that can be converted to cash.

b) Operating activities shall include all transactions and other events that are not investing or financing activities. They shall include but not limited to the following:

I. Cash receipts from levies and fines;

ii. Cash receipts from charges for goods and services provided by the entity;

iii. Cash receipts from grants or transfers and other appropriations.

iv. Cash receipts from fees, commissions and other revenue;

vi. Cash payments to suppliers for goods and services;

vii. Cash payments to and on behalf of employees;

viii. Cash receipts from and payments to an insurance entity for premiums and claims, annuities and other policy benefits;

ix. Cash payments of local property taxes or income taxes (where appropriate) in relation to operating activities;

x. Cash receipts and payments from contracts held.

c) **Investing activities** shall consist of those activities relating to the acquisition, holding, and disposal of Non-Current assets and investments. Investments shall include securities not falling within the definition of cash.

i. Cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalized development costs and self-constructed property, plant and equipment;

ii. Cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;

iii. Cash advances and loans made to parties other than advances and loans made by a public financial institution where applicable;

iv. Cash receipts from the repayment of advances and loans made to parties other than advances and loans of a public financial institution where applicable;

d) **Financing activities** shall consist of those activities that result in changes to the size and composition of CEF's capital structure. This includes both equity and debt not falling within the definition of cash. Examples shall include but not limited to the following:

I. Cash proceeds from issuing shares, debentures, loans, notes, bonds, mortgages and other short or long-term borrowings; and

ii. Cash repayments of amounts borrowed and share redemptions;

e) Due to the nature and mandate of CEF, financing activities would rarely be used or applied in the operations of the organization. Should there be a change by management at any point in time; the Board would notify Finance for the necessary treatment and disclosure.

f) Disclosure Requirements

To ensure compliance with GAAP, management would ensure cash flow statements have been presented as an integral part of the entity's financial statements for the period. Management would use the indirect method for the preparation of cash flow statement

The cash flow statement would be classified under the following headings:

I. Operating activities

ii. Investing activities

iii. Financing activities

Chapter Four

Expenditure Control Management

The purpose of this section is to provide policies and procedures for recording of CEF's Accounts Payable and processing of payments.

4.1 General Expenditure Control Policies and Procedures.

It is the policy of CEF to strictly follow the following procedures for all forms of expenditure.

a) All procurements shall follow the procurement policies and procedures Policy. These policies and procedures specify purchase authority limits and determine the policies and procedures that should be used in purchasing goods, services and Non-Current assets for CEF and for recording corresponding liabilities for payment.

b) The Logistics and Procurement Department, at the beginning of each calendar year, should perform an annual tendering for CEF recurring purchases, such as fuel, stationary, office supplies…etc.

c) The Finance Department is responsible for recording CEF's purchases and for payment to vendors.

d) CEF should use the accrual basis in recording purchases and in processing payments to vendors.

e) Accounts payable should be reconciled periodically.

f) A Pre numbered Payment Requisition Form/Voucher shall be raised for all requests for funds for any expenditure whether capital or revenue.

d) All Requisition Forms shall be duly requested by a specific responsible official in a needy department, authorized by the head of that department/Programme Associate and approved by the Finance Manager after checking all valid bills, invoices, or source documents that shall be attached to the request and confirmed from the budget.

e) A serially numbered Payment Voucher shall be raised for all approved Requisition Forms.

f) The Payment Voucher shall be duly checked by the Finance Officer, authorized by the Finance Manager and approved by the Country Director after examining all the original attachments and assuring themselves of their relevance, quality, validity, accuracy, completeness, and whether the items in question have been budgeted for and funds are available.

g) If vouchers submitted for payment are not approved, they will not be processed and will be returned to the relevant staff for rechecking and approval.

h) All payment vouchers will at least possess the following qualities:

I. Description of the transaction.

ii. Amount of the voucher.

iii. Name of Payee.

iv. Appropriate Account Code.

v. Appropriate Program/Project Number.

vi. Appropriate Donor code

vii. Appropriate workshop/conference code – in case of major conferences and workshops such as General Assembly.

i) Each suppliers' tax invoice should be checked by the Accountant against the following;
- Clerical accuracy;
- Agreement of description, specification, unit cost and quantity received to the
- Purchase order noting proper authorization; Comparison of the credit period and terms with those specified on the purchase order
- and agreement, if any.

n) If it is agreed to make an advance payment to the vendor, proper payment procedures should be followed, and the payment should be recorded as receivable and controlled in a manner that assures they will be recovered by an offset against future vendor invoices.

H) Access to the electronic data vendor master file on the accounting software should be monitored by the Finance Manager and should be authorized to specific employee in the Finance Department. Any change to the Vendor master file should be approved by the Finance Manager. Special forms could be used for this purpose.

4.2 Payment by Cheque

a) Once payment vouchers have been fully approved, a cheque will be prepared.

b) All cheque payments will comply with all the control procedures outlined under part 4.1 above.

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

d) All cheque payments shall comply with part 3.3(k) of this manual on cheques under Managing Bank Accounts.

e) Paid Stamp. It is the policy to stamp on each paid invoice and supporting documents with the word "PAID" upon payment and if required by the Donor, a special "PAID STAMP" to be prepared for the specific donor with the required inscriptions.

f) A check control log ("check register") must be established and maintained through the accounting software or in excel to follow-up on outstanding checks. The control log should contain;

o Sequence of checks issued,

o Name of the beneficiary,

o Check date,

o Check amount

o Clearance date of the return and/ or avoidance date.

f) The check register must be approved by the Finance Manager on monthly basis as part of the bank reconciliation process.

4.3 Payment by Letter of Transfer

The policy of CEF allows for payments by Letter of Transfer. In such cases,

a) All Letter of Transfer Payments will comply with all the control procedures outlined under part 4.1 above.

b) the Finance Officer shall prepare the letter and address it to the respective bank Manager clearly indicating the following details:

I. Beneficiary Account Name.

ii. Beneficiary Account bank and Number.

iii.Swift Code.

iv. Correspondent Bank Details

v. The Amount to be transferred-In figure and words.

c) The appropriate signatories to the bank account shall sign the letter of transfer and the payment voucher.

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

e) The original of the letter together with the duplicate or the photocopy shall be delivered to the bank. The original shall be left with the bank and the duplicate or the photocopy (stamped received) shall be attached to the payment voucher for filing or photocopied and to be filed separately.

4.4 Payment by Cash

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

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

c) In cases where a group of people are to be paid in cash, it shall be the practice to write an open cheque in the name of the Finance Officer to effect such payment.

d) In cases such as under part (c) above, there shall be attached to the authorized payment voucher a detailed list of beneficiaries, the amount per beneficiary and signature acknowledging receipt of payment.

e) All the above notwithstanding, the Organization shall operate an account for cash in safe. See section 3.7 for details.

f) All Payments by cash will comply with all the control procedures outlined under part 4.1 above.

ANNEX 1: SIGNING AUTHORITY THRESHOLD

Authorized by	Approved by	Authorization Limit
Board of Trustees	Chief Executive Officer	$50,001 & Above
Chief Executive Officer	Country Director	$10,000-$50,000
Country Director	Operations Manager	$5,001-$9,999
Operations Manager	Budget Holder	$1-$5,000

4.5 Accounts Payable

Purpose

The purpose of this section is to provide policies and procedures for recording of CEF's Accounts Payable and processing of payments.

Policy

The Finance Department is responsible for recording CEF's purchases and for payment to vendors.

1.CEF should use the accrual basis in recording purchases and in processing.

2. Payments to vendors. Accounts payable should be reconciled every month or quarterly.

3. Payables should be recorded at face value plus or minus any interest premium or discount and other appropriate adjustments.

4. The payable amount can be determined from the billing received and should be verified against purchase orders/requisitions, contract terms or any other appropriate documents prior to recording liability.

5. When actual values are not available, recorded value should be based on best available estimates. Estimates should be based on current market price, past history and comparable.

Procedures

Invoice Processing

1. The Procurement and Logistics Department should submit purchasing documents to the Finance Officer in order to record the required journal entry.
2. The Finance Officer should verify the existence, approval and consistency of the following supporting documents before recording the procurement transaction in the accounts payable ledger:
   - Internal Purchase Request;
   - Purchase Order;
   - Quotation Evaluation Reports, if any;
   - Contract with the vendor, if any;
   - Purchase Receiving Report;
   - Supplier Tax Invoice;
   - Tax Deduction at Source/Withholding Tax.
3. Each suppliers' tax invoice should be checked by the Finance Officer against the following;
   - Clerical accuracy,
   - Agreement of description, specification, unit cost and quantity received to the
   - purchase order noting proper authorization.
4. If the documents are not satisfactory, they should be returned to the Procurement and Logistics Department with specific reason for disallowance.
5. If the documents are satisfactory, the Finance officer should record the invoices into the accounts payable ledger as follows:
   Dr. Expenses/Non-Current assets XXXXX Cr. Accounts Payable (Vendor) XXXXX

6. If it is agreed to make an advance payment to the vendor, proper payment procedures should be followed, and the payment should be recorded as receivable and controlled in a manner that assures they will be recovered by an offset against vendor invoices.

4.6 Monitoring and Reconciliations of accounts payable account.

1. The accounts payable ledger should be reviewed, by the Finance officer, on a monthly basis for any debit balances. Accordingly, the debit balances accounts should be reclassified to their related accounts.
2. A statement of account should be obtained from recurring vendors periodically, on a sample basis, for example on a semiannual basis.
3. Based on the statement of account received, the Finance Manager should prepare reconciliation with the accounts payable ledger.
4. Any reconciling items resulting from unrecorded liabilities or payments should be investigated and promptly adjusted.
5. Any debit balance in the accounts payable ledger should be brought to the attention of the Finance Manager.
6. Monthly accounts payable reported by the Finance Officer should be prepared to identify payments due for the period and investigate any long outstanding balances.
7. At year-end, confirmations and statements of major suppliers' accounts should be obtained from them in order to confirm their outstanding liabilities, if any.
8. If confirmation balance does not agree with the vendor's ledger balance, accounts payable reconciliation should be prepared to quantify and resolve the differences.
9. Accounts payable reconciliations should be approved by the Finance Manager.

4.7 Expenditure Approval Matrix

For all amounts in excess of US$ 10 ,000, the approval of the CEO would be required and for all amount excess of 50,000, the approval of the Board of Trustees would be required. Otherwise, all vouchers and cheques must be approved by the Country Director or any Organization Management Committee member with express delegated authority from the Country Director.

However, in the absence of the CEO, the matrix below could be adopted to facilitate operational effectiveness, provided the CEO would endorse it when next available.

Annex:

Procurement Authorization Matrix

Method of Purchasing	**Method of Purchasing**	**Method of Purchasing**	**Method of Purchasing**	**Method of Purchasing**	**Method of Purchasing**	**Method of Purchasing**
$0-$100	Petty Cash	PRF Request by Program	PRF reviewed by FM/FO	PRF authorized by OGM	Final Approval by CD	-
$101-$500	One Quote from PVL	PRF Request by Program	PRF reviewed by FM/FO	PRF authorized by OGM	PO- Final Approval by CD	-
$501-$1000	Two Quotes from PVL	PRF Request by Program	PRF reviewed by FM/FO	PRF authorized by OGM	PO- Final Approval by CD	-
$1001-$5,000	Three(3) to Five (5) outside PVL	PRF Request by Program OR User Department	PRF reviewed by FM/FO	PRF authorized by OGM	PO- Final Approval by CD	-
$5,001-$10,000	Three (3) to Five (5) sealed Bids outside PVL	RFP Request by Program OR User Department	PFP reviewed by FM/FO	RFP authorized by OGM	Contract -Review and Authorized CD	Final Approval by CEO
> $10,000	Tender – Five (5) to Ten (10) Sealed Bids	IFB Request by Program OR User Department	IFB reviewed by FM/FO	IFB authorized by CD	Contract Review and Authorized by CEO	Final Approval by Board /Head of Board

Chapter Five

Property, Plant and Equipment

Policy

To establish written procedures that will ensure proper recording and accountability for Non-Current Assets and to establish and implement controls necessary to protect the assets of CEF.

Procedures

5.1 General Policy Guidelines

a) This section sets out procedures that seek to ensure that Non-Current Assets of CEF are acquired, recorded, utilized, or disposed of within appropriate levels of authorization and approval. The main focus is to safeguard and account for assets.

b) The Non-Current Assets owned by CEF and used in CEF operations (not for resale). They have initial estimated useful life beyond a single year. On-Current Assets with an initial cost (inclusive of ancillary charges) of at least $100 should be capitalized and becomes known as a capital asset.

c) Capitalization of Assets

It is the policy that all Non-Current assets are stated at acquisition cost less accumulated depreciation and accumulated impairment losses.

d) It is the policy to expense assets in the period of purchase if these assets cost US$999 or less individually. Assets costing in excess of US$100 will be capitalized and depreciated in accordance with the organization’s depreciation policies.

e) It is the policy of CEF to capitalize Repairs and improvements to real property and leasehold improvements if they cost in excess of US$100 individually.

A Non-Current asset is capitalized only if it meets all of the following conditions:

1. Owned or considered owned by the CEF.
2. Held for operations (not resale).
3. Has a useful life that exceeds one year.
4. Meets the capitalization threshold,
5. With the exception of donated assets,

f) Non-Current Assets are accounted for at the original acquisition cost, which includes the purchase price and all costs necessary to put that asset into existing use and location. These costs include but are not limited to freight, insurance, and installations (i.e., ancillary costs.). The cost of an asset will be recorded at the historical cost of the asset.

g) When two or more assets are obtained at the same time and their individual costs are not readily known, the individual costs are allocated to the assets based on their relative fair market values at the time of acquisition. These costs are simply the ratio of the initial acquisition cost vs. their relative fair market values.

h) When the CEF receives donations of Non-Current Assets, donations of capital assets should be recorded in the accounting records as revenue at the fair value at the date of receipt and capitalized in the accounting records. The methodology used for determining fair value should be documented.

I) all the documentation supporting the acquisition cost of an asset along with reports or information substantiating its existence and location should be maintained and made available for examination by the Internal and External Auditors.

I) All documentation supporting the relocation, improvement or betterment of an asset, Including cost of such action and dates, should be maintained and made available for examination by the Internal and External Auditors.

5.2 Acquisition

Procedures

Acquisition of Non-Current assets:

The Organization shall procure any Non-Current Assets provided that:

a) It complies with the Procurement Policy of CEF.

b) It complies with section 4.1 of this manual.

c) It falls within the ambit of the Organization's eligible expenditure.

d) It has been provided for in the Annual or Project Budget.

e) There is availability of funds for the purpose.

f) The transaction has been approved by the Country Director/BOD.

g) It is the policy of CEF to register all acquired Non-Current Assets in the name of CEF.

h) It is the policy of CEF to insure all Non-Current Assets comprehensively and inspect for roadworthiness on acquisition. Insurance and roadworthy (in the case of motor vehicles and cycles) certificates shall be obtained and securely kept by the Organization.

i) It is the policy of CEF to assign all Non-Current Assets with special identification numbers (Tag Numbers). They shall also be clearly labeled with CEF logo and can be referenced to the Asset register.

5.3 Receiving of Donated Non-Current assets:

a) The Procurement and Logistics Department is responsible for receiving donated Non-Current Assets and should prepare a Receiving Report of the donated Non-Current Assets.
b) The Procurement and Logistics Department should submit the Receiving Report to the Finance Department to record the donated Non-Current Assets.
c) The Finance and Procurement Manager are responsible for determining the fair value of assets received before they are recorded.

d) The Finance Manager submits the Receiving Report with its fair value to the Finance officer to record it in the accounting system.
e) A copy of the Receiving Report should be maintained by the Procurement and Logistics Department in order to update the assets register and prepare the identification tags.
f) The Finance officer should record the donated assets in the accounting records. Those assets are recognized as revenues.
g) The Finance officer should send the documents to Finance Manager to review it and post it to the accounting system.
h) The Finance Manager should review and Finance officer posts the journal voucher, attach the supporting documents with the journal voucher, sign it and send it to the Country Director for review and approval.
i) The Finance officer should ensure that the donated Non-Current Assets are identified with specific tag numbers by the Procurement and Logistics Department and should report any delay to the Finance Manager.
j) The Finance Manager should ensure that the donated Non-Current Assets are recorded in the Non-Current assets register by the Procurement and Logistics Department and should report any delay to the Finance Manager.

5.4 Recording

Purpose

To provide guidelines for the maintenance of a Non-Current Assets register and records.

Policy

a) All Non-Current assets acquired by the Organization must be properly recorded in the Ledger Accounts with the approved valid vouchers duly attached and the Procurement and Logistics Department should maintain an updated Non-Current assets register.

b) A Non-Current assets Register shall be maintained to keep track of all properties owned by the Organization.

c) The register shall have columns for the following

i. Date of acquisition

ii. Name and class of the Asset

iii. Identification number of the asset

vi. Insurance certificate number of the Asset

vii. Cost of the Asset

viii. Depreciation rate

ix. Accumulated depreciation

x. Depreciation charge for the year

xi. Disposal costs for the year

xii. Book value of the asset

xiii. Description or remarks column

d) Assets shall be grouped into their various categories or classes in the Register

5.5 Custody

It is the policy of CEF to:

a) Maintain and keep all of its assets in good physical condition at all times.

b) Keep all of its assets at secure physical location.

c) Distinctively identify all of its assets using identification tags.

d) Use its Assets solely for the benefit of the Organization operations.

e) As much as possible make the assets available at all times for inspection by all authorized persons.

f) Conduct physical asset counts on a quarterly basis.

5.6 Depreciation of Non-Current assets

Purpose

To provide guidelines for the depreciation of the CEF Non-Current Assets.

a) It is the policy of CEF that depreciation of all of its Non-Current assets are calculated on a straight line basis at rates estimated to write off the cost of each asset over the estimated term of its economic life.

b) A fully depreciated Non-Current asset will remain in the Non-Current asset sub-ledger until the Non-Current asset is retired from service.

c) The entire cost of an asset must be depreciated. Depreciation is allocated monthly over the estimated useful life of the capital asset, as detailed below.

e) Guidelines for estimated useful lives by capital asset category are as follows

Capital Asset Category	Estimated Useful Life	Depreciation Rate
i. Computers and software	3 Years	33.33
ii. Furniture and Fittings	5 Years	20%
iii. Motor Vehicles	5 Years	25%
Iv. Equipment	5 Years	20%

f) The above useful lives may be affected by changes in the business and technological environment or the use of the equipment.

G) Depreciation expense for a Non-Current asset begins in the month following the acquisition date of the asset and continues until the accumulated depreciation equals the original installed cost, or until the asset is retired from service and no depreciation is to be charged in the year of disposal.

5.7 Disposal Non-Current Assets.

To provide guidelines for the disposal of the CEF Non-current assets.

It is the policy of CEF not to dispose of any Non-Current assets of the Organization unless they have:

a) To be disposed off as scrap or damaged beyond repair.

b) Become too costly to maintain.

c) Become obsolete or junk assets.

d) Fully depreciated.

e) Involuntary conversion.

f) Mysterious disappearance.

j) Been approved by the Country Director in conformity with this policy.

Procedures

1. The Procurement and Logistics Department is responsible for identifying the Non-Current Assets that need to be disposed and should obtain the required approvals. The Procurement and Logistics Department should perform the following:
    - Complete an appropriate form to dispose the asset signed by the asset user.
    - Obtain the approval of the department's manager to dispose the asset
    - Obtain the recommendation of the appointed disposal committee.
    - If the historical cost of the disposed asset exceeds USD100, the Country Director should nominate a committee, which should consist of the Finance Manager, member from the Operations Department, Procurement, and professional staff in the related subject. The committee will recommend to the Country Director of the actions to be taken.
    - If the historical cost of the disposed asset exceeds USD1, 000, the approval of the Board of Directors is a must and should be obtained.

5.8 Reporting

It is the policy of CEF that the presentation of Non-Current assets in the financial statement and its notes are in conformity with GAAP. By these standards;

a) The financial statements should disclose, for each class of property, plant and equipment recognized in the financial statements:

I. The measurement bases used for determining the gross carrying amount. When more than one basis has been used, the gross carrying amount for that basis in each category should be disclosed;

ii. The depreciation methods used;

iii. The useful lives or the depreciation rates used;

iv. The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and

v. A reconciliation of the carrying amount at the beginning and end of the period showing:

1. Additions;

2. Disposals;

- increases or decreases during the period resulting from revaluations and from impairment losses (if any) recognized or reversed directly in net assets/equity under the appropriate international or national accounting standard adopted;
- Impairment losses (if any) recognized in the statement of financial performance during the period under the appropriate international or national accounting standard adopted;
- Depreciation;
- the net exchange differences arising on the translation of the financial statements of a foreign entity; and
- other movements.

b) The financial statements should also disclose for each class of property, plant and equipment recognized in the financial statements:

i. The existence and amounts of restrictions on title for property, plant and equipment pledged as securities for liabilities;

ii. The accounting policy for the estimated costs of restoring the site of items of property, plant and equipment;

iii. The amount of expenditures on account of property, plant and equipment in the course of construction; and

iv. The amount of commitments for the acquisition of property, plant and equipment.

c) The selection of the depreciation method and the estimation of the useful life of the assets are matters of judgment. Therefore, disclosure of the methods adopted and the estimated useful lives or depreciation rates provides users of financial statements with information which allows them to review the policies selected by management and enables comparisons to be made with other entities. For similar reasons, it is necessary to disclose the depreciation allocated in a period and the accumulated depreciation at the end of that period.

d) CEF will disclose the nature and effect of a change in an accounting estimate that has a material effect in the current period, or which is expected to have a material effect in subsequent periods, in accordance with GAAP, Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policy. Such disclosure may arise from changes in estimates with respect to:

i. residual values;

ii. The estimated costs of dismantling and removing items of property, plant or equipment and restoring the site;

iii. Useful lives; and

iv. Depreciation method.

e) When a class of property, plant and equipment is stated at revalued amounts the following would be disclosed:

i. the basis used to revalue the assets within the class;

ii. The effective date of the revaluation;

iii. Whether an independent valuer was involved;

iv. The nature of any indices used to determine replacement cost;

V. The revaluation surplus, indicating the movement for the period and any restrictions on the distribution of the balance to shareholders or other equity holders;

vi. The sum of all revaluation surpluses for individual items of property, plant and equipment within that class; and

vii. The sum of all revaluation deficits for individual items of property, plant and equipment within that class.

5.9 Non-Current assets Identification

Purpose

To provide guidelines for the Identification of CEF Non-Current Assets.

Policy

1. To ensure that each individual asset has a unique identification. An identification number should be assigned and tagged for all Non-Current Assets (other than land, buildings). This tag must have a unique identification number that will be associated with the asset and becomes a part of the asset's record.
2. The identification number will be comprised of four components:
   • Fiscal year of the original acquisition (4 digits);
   • Asset type (1-character letter);
   • Location (i.e. room number); and
   • A sequential number.
3. The Procurement and Logistics Department will be responsible for all Non-Current Assets

5.10 Non-Current Assets Physical Count and Reconciliation

Purpose

To provide guidelines for the periodic physical count and reconciliation of CEF Non-Current Assets.

Policy

- The Procurement and Logistics Department together with the Finance Department are responsible for the periodic physical count of Non-Current Assets.
- Physical count of Non-Current Assets should be performed annually by a special Non-Current Assets physical count committee.
- Non-Current Assets register should be checked and verified by the Financial Department semiannually and on a sample basis.
- Non-Current Assets recorded in the register should match those recorded in the accounting system; and if any deviations, differences should be identified, investigated, properly reported, and resolved.
- In addition to locating, counting and recording Non-Current Assets, details such as the identification codes/labels, location and status of the assets should be remarked.

5.11 Semiannual Verifications:
Procedures

1. The Finance Manager, semiannually, should obtain an updated copy of the Non-Current Assets register from the Procurement and Logistics Department.
2. The Finance Manager will select a sample of Non-Current assetitems and ensure that the selected Non-Current Assets:
    - Exist and in use;
    - Properly maintained;
    - Non-Current Assets are properly recorded in the register,
3. The Finance Officer, should prepare and sign a brief report of the work performed, and should submit it to the Finance Manager for review and approval.
4. The report should summarize the work performed by the Financial Controller, and whether there are any deviations.
5. The Finance Manager will coordinate with the Procurement and Logistics Department to investigate and resolve any deviations.

5.12 Annual Physical Count:

1. During the Month of December, and before the end of each year, a Non-Current Assets physical count committee should be officially formed by the Finance Manager.
2. The Committee should consist of the Financial Officer, an employee from the Procurement and Logistics Department, an employee from the Technical or IT Department, and employees from other departments, if required, and CEF Internal Auditor and External Auditor.
3. Official invitations for the attendance of the Non-Current Assets physical count should be submitted to CEF Internal and External Auditors.
4. The tasks of the Committee should be prepared by the Finance Manager and approved by the Country Director.
5. The Finance Manager should send a copy of the tasks description to every member of the Committee, in order for each member to know the details of the assignment and his/her role in the count.

6. The Finance Manager should provide the physical count committee, the Internal Auditor and the External Auditor with a copy of the Non-Current Assets report.

7 The report should include Non-Current Assets items and the quantity of each item.

8 The Committee should record the actual quantity of each Non-Current assetitem, as revealed by the physical count.

9. The Committee should prepare a physical count report, sign it and submit it to the Finance Manager for review and approval.

10. The Finance Manager should provide the Country Director with the Non-Current Assets physical count report for review and approval.

11. The Finance Manager should send the report, after being reviewed and approved by the Country Director, to the Finance Officer to prepare necessary adjustments to the Non-Current Assets ledger in the accounting software.

12. The Finance Officer will prepare necessary adjusting journal vouchers and submit them to the Finance Manager.

13. The Finance Manager should review the journal vouchers, ensure they were executed properly, and sign them.

14. The Finance Manager should approve the adjusting journal entries.

15. The approved report and the adjusting journal entries should be filed at the Finance Department in order to be reviewed by the External Auditor.

Chapter Seven

Payroll Management.

7.1 Time Keeping and Reporting

Purpose

The purpose of this section is to provide guidelines for timekeeping of CEF employees' work.

Policy

Monitoring and timekeeping of CEF employees.

1. Employees should sign in and out using the electronic time-keeping machine or any improvised means.
2. The responsibility for supervision and time-keeping functions must be assigned to an employee who is not part of the payroll function at the Department of Human Resource or Finance Department, and does not take part in the payroll processing, disbursement, or any general ledger functions.
3. All time sheets must be reviewed and approved on timely manner by the employees' supervisors.
4. The time sheets must indicate hours worked, overtime hours, and other special benefits.
5. The employee supervisor must approve all sick leaves, vacations, holidays, and overtime. A leave form must be submitted for approval by the supervisor before vacation is taken.
6. Overtime must be approved before actual working hours, and the approval of overtime is part of the approval of the time sheet.
7. Holidays must be reported on time sheets only; no other form is required to be submitted.
8. Employees must follow management instructions for holidays.
9. Overtime may be required on a periodic basis. Supervisors are responsible for authorizing any overtime and notifying employees of such extra work hours in advance, if possible. A special form should be prepared, signed and submitted to the Human Resource by the supervisor.

7.2 Payroll Processing and Payment,

Purpose

The purpose of this section is to provide guidelines for CEF employees' payroll processing and payment and to ensure that payroll processing is accurate and performed on a monthly basis.

Policy

a) The Finance Officer shall prepare a Payroll on a monthly basis before the 21st of every month, either in Excel or by the use of any payroll software that has been checked by Finance Manager and authorized by the Country Director and should include Payroll monthly calculation sheet, Payroll wire transfer, Payroll journal entry.

b) Employees' payroll should be paid from CEF designated operational bank account or donor accounts for Program staff.

c) The personnel and payroll data is strictly confidential information and shall be restricted to the authorized persons only and employees' salaries are considered confidential and should also be strictly protected in the Department of Human Resource.

b) The payroll shall be prepared monthly by:

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

ii. Using the monthly rates applicable for all other employees;

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

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

c) Payroll Deductions

I. Income tax (PAYE/PIT) shall be deducted from staff salaries, where applicable, and shall be paid to Directorate of Taxation not later than 15th of the subsequent month. Current Exchange rates obtained from the Central bank shall be the only applicable rates for PIT computation.

ii. For all applicable employees, 8% and 17% of their basic salary shall be deducted as contributions from the employee and the employer respectively and paid to a special Pension bank account opened by CEF before the 15th of the Subsequent month in the absence of a Government controlled Pension fund.

iii. A Percentage of the basic salaries of employees for any funds that management and staff have agreed to contribute to such pension funds or provident funds shall also be deducted for that cause.

iv. Deductions for employees' advances and receivables should be made from payroll. Transactions involving deductions from employees' salaries should be processed promptly and reflected in the monthly payroll.

v. The amount of deduction of employees' advances should be agreed upon with the employee. However, any advances to employees should be covered from employees' salaries within the month in which the advances were made to them.

d) The payroll shall among others have columns for the following:

I. Staff Name

ii. Staff ID and location

iii. Contracted salary, Number of days worked, and day rate.

iv. Basic salary, arrears/allowances, overtime

ii. Staff SSNIT Number

iii. Staff monthly Basic Salary

iv. Staff 8% Contribution, where applicable

v. Staff monthly PIT tax

vi. X% Pension/Provident Fund Contribution

vii. Staff net salary

viii. Staff 17% Employer's SSNIT Contribution

e) Schedules for Income Tax, Pension/Provident fund, staff loans shall also be prepared as part of the payroll file.

f) Any changes in payroll must be done in writing and approved by the Country Director.

g) The payroll shall be reviewed by the Finance Manager and approved by the Country Director.

7.2 Payment of Salaries

a) Payroll payment vouchers shall be authorized by the Finance Manager and approved by the Country Director.

b) Staff salaries shall be paid between 21st and the last day of every month except in December of each year where payment may be made earlier than 21st of the month.

c) Wherever practicable, payment of salaries shall be done by direct bank transfers on the basis of the details submitted by members of staff to the Finance Officer.

d) The Finance Officer shall write a covering letter to the respective banks authorizing transfer from the Organization's bank account to the respective bank accounts of staff. The covering letter shall be signed by the authorized signatories to the Bank Accounts.

e) Where staff members do not have bank accounts, payments shall be made by open cheques written in the names of the employees concerned.

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

g) The Finance Officer shall prepare monthly pay slips for all staff.

h) Nationally-recruited staff salary shall be determined by the Country Director with the support of the Finance Manager.

i) Nationally-recruited staff salary structure shall be comparable to other related local NGOs salary scales.

j) All nationally-recruited staff shall be paid in US Dollar unless Economic conditions allow for payment in local or foreign currency.

h) If salaries were not paid prior to month's closing, a journal voucher must be prepared to reflect the accrual of salaries. The accrual should be reversed when payroll is paid in the following month.

7.3 Record and Transfer of Payroll Tax

a) The Finance Officer should prepare the payroll tax slip, the payment order and the bank check.

b) The payment order and the check should be submitted to the authorized signatories for their review and signature.

c) After being signed, a copy of the signed check should be maintained at the Finance Department.

d) The check should be deposited in the Tax Authorities' bank account as provided by the Directorate of Taxation or Ministry of Finance and Economic Planning and a Deposit Slip should be obtained from the bank.

e) The Deposit Slip and the Tax Slip should be submitted to Tax Authorities before the 15th of the preceding month in order to stamp the Tax Slip for clearance.

f) The Stamped Tax Slip should be submitted to the Finance Officer in order to be recorded.

g) The Finance Officer should file the payment voucher, attached to a copy of the check and the Stamped Tax Slip or the stamped tax slip to be filed separately.

7.4 Salary Advance

a) The policy of CEF shall allow for advance payment of 50% of staff's net salary before the end of the month.

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

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

d) The application for salary advance shall be addressed to the Finance Manager before the 10th of the same month who shall make his recommendations on the matter for the consideration of the Country Director. Special considerations shall be provided to unusual events.

e) The application shall be attached to a payment voucher that shall be authorized by the Finance Manager and approved by the Country Director on tangible grounds.

7.6 Pension fund

a) It is the policy of CEF to set up a Pension Fund for all employees. It shall be approved by the Country Director.

b) The Organization shall contribute 17% of the basic salaries of all employees to the pension fund scheme on their behalf.

c) The employees shall also contribute 8% of their basic salaries to the pension fund scheme.

d) The total contribution shall be deposited in a special bank account opened for savings as pension fund.

e) A constitution shall be developed for the fund which shall establish the policies and procedures, rules and regulations, the Board of Trustees, the officers and the signatories of the bank account of the fund.

f) The fund shall be independently managed by the officers appointed by its Board of Trustees.

g) The constitution shall be the supreme governing authority of the scheme.

7.7 Leave Commuted to Cash

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

Chapter Eight

Grants Management

Purpose.

A grants management system ensures accountability and alignment of grant activities relative to organizational priorities, with reliable tracking of grant and project financials, goals, and performance metrics.

8.1 Administration of Grants

a) CEF receives funds from various donors'/funding organizations to finance various projects.

b) The funds received shall be administered in an economic, efficient and effective manner by the officers in charge of such projects.

c) The administrative process shall include quality and timely feedback to the donors' details of projects funded by them.

d) Funds received shall only be utilized in accordance with the provisions of the grant agreement.

e) As part of the annual budget, grants shall be included in the annual estimates in the following manner:

> I. Grants shall be budgeted for, committed in signed agreements and where they can be expected to be received during the year with a high degree of certainty, the Finance Manager shall review all signed agreements to confirm the existence and the value of the grants included in the budget.
>
> ii. in the event that an agreement is unsigned, or in a signed agreement with a high degree of uncertainty of receipts of grants, the Finance Manager will remove the related expenditure from the budget.

8.2 Mode of Receiving Grants

a) The Funder/Donor transfers the Grant direct to the Organization's designated Bank account.

b) The Funder/Donor issues a cheque in the name of the Organization.

8.3 Contributions Acknowledgment

a) It is the policy of CEF to send either Receipts or letters/notes on CEF's letterhead acknowledging all contributions, regardless of the amount.

b) The letters will indicate the amount contributed, Date of receipt and balance.

8.4 Revenue Recognition

CEF shall report on two streams of revenue:

i. Revenue from exchange transaction

ii. Revenue from non-exchange transaction.

ii. CEF shall define Exchange and Non Exchange Transactions in accordance with GAAP as follows:

i. Exchange Transactions

A transaction in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

ii. Non-exchange Transactions

Where an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

iii. Revenue from Exchange Transaction

i. Broadly, revenue under this shall be reported income earned as a result of the normal operations of the organization.

ii. Measurement and recognition

Revenue on exchange transaction shall be measured at the fair value of the consideration received or receivable.

iii. Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably where all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
3. the stage of completion of the transaction at the reporting date can be measured reliably; and
4. the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
5. where the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue would be recognized only to the extent of the expenses recognized that are recoverable.

iv. Revenue from non-Exchange Transaction

i. CEF's main source of revenue from non–exchange transaction is grant and donations.

ii. CEF will ensure that inflow of resources from a non-exchange transaction, other than services-in-kind, that meets the definition of an asset, shall be recognized as an asset where, and only where:

1. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
2. The fair value of the asset can be measured reliably.

v. Measurement of Assets on Initial Recognition

An asset acquired through a non-exchange transaction would initially be measured at its fair value as at the date of acquisition.

vi. Recognition of Revenue from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction would be recognized as an asset to the extent that revenue has also been recognized.

Where CEF satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, the carrying amount of the liability will be reduced and an amount of revenue equal to that reduction would be recognized.

vii. Measurement of Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions would be measured at the amount of the increase in net assets recognized by the entity.

8.5 Transfers

a) CEF shall recognize an asset in respect of transfers where the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

b) Transfers shall include grants, debt forgiveness, fines, bequests, gifts, donations and goods- and services-in-kind. All these items have the common attribute that they transfer resources from one entity to another without providing approximately equal value in exchange and are not taxes.

c) CEF may, but is not required to, recognize services in-kind as revenue and as an asset.

8.6 Disclosures

The following will be disclosed, either on the face of the financial statements or in the notes to the extent applicable:

a) Indicating the amount of revenue from non-exchange transactions recognized during the period by major classes showing separately:

i. the amount of receivables recognized in respect of non-exchange revenue

ii. the amount of liabilities recognized in respect of transferred assets subject to conditions

iii. the amount of assets recognized that are subject to restrictions and the nature of those restrictions

iv. The existence and amounts of any advance or receipts in respect of non-exchange transactions

v. the amount of any liabilities forgiven.

b) The following shall be disclosed in the notes:

` i. The accounting policies adopted for the recognition of revenue from both exchange and non-exchange transactions

ii. For major classes of revenue from non-exchange transactions, the basis on which the fair value of inflowing resources has been measured

iii. The nature and type of major classes of bequests, gifts, donations showing separately major classes of goods-in-kind received

8.7 Grant Agreements

Ensuring compliance with terms and conditions of donor/grant financing agreements starts with ensuring that a donor/grant financing agreement fully complies with CEF financial policy and procedures.

a) The Country Director will be ultimately responsible for ensuring that the organization consents to and complies with all financing agreements with donors/funders.

b) The grants committee (consisting of the Country Director, Finance Manager, Legal advisor and a representative from the Board) shall review the donor/funder procedures and agree on its acceptability.

c) The Country Director will upon receipt of the advice from the Grants Committee make a decision.

d) The Country Director shall authorize a Grant agreement only after due clearance by the Grants committee and evidence on this clearance retained on file as a control procedure and for audit purposes; and

e) Compliance

i. All project coordinators/head of project management units shall ensure that all donor/funder funds are utilized according to the terms and conditions of the grant agreement. This shall include:

1. Application of funds in accordance with the approved budget.

2. Compliance with procurement procedures.

3. Compliance with staff recruitment procedures.

` 4. Compliance with Financial Procedures-disbursement and payment procedures including claims and other retirement of funds.

6. Compliance with reporting procedures for donors among others.

ii. The Finance and Program Managers shall review compliance of all projects and donor procedures and advice the Country Director where exceptions are noted.

Chapter Nine.

Chart of Accounts and Operating Software.

9.1 Chart of Accounts

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

b) In the event that new accounts are required to be added to enhance financial reporting or meet specific donor requests, the Finance Manager would notify the Country Director in writing for approval.

9.2 Implementation of the Chart of Accounts

a) Every One year, Finance Manager shall initiate a comprehensive review of the adequacy of the chart of accounts and appropriateness of its format.

b) He/she will communicate any updates on the chart of accounts to the rest of the Finance team if the need to adopt a new COA or if its industry or country adopts a new set of specific accounting standards.

c) He/she will also ensure that the approved budget appropriations are correctly processed and budget reports are produced regularly to provide adequate information for compliance.

9.3 Computerized Accounting System.

The purpose of computer information systems procedures is to ensure that:

- an appropriate information system is used by the organization.
- there is no unauthorized access to the organization's computer systems.
- the organization has adequate disaster recovery plans for its computerized information.
- the organization's information is accumulated, processed and reported on accurately and in a cost-effective manner.
- Personnel have adequate knowledge of the computer systems being used by the organization.

9.4 Computerized software issues

a) A decision must be made as to whether a software designer will be required to design and write a programme for the organization or a system will be purchased off the shelf. In either case the tendering or procurement procedures, as appropriate, set out elsewhere in this document must be followed. In making this decision, the Computerized Information System needs of the organization should be carefully considered.

b) The computerized accounting package shall:

i. Be able to accommodate the coding system set out in the chart of accounts.

ii. Incorporate approved budget appropriations to produce activity based financial reports with variances.

iii. Be capable of processing periodic management accounts in the format prescribed by management.

iv. Produce annual financial statements in the format consistent with the relevant GAAP.

v. Be user friendly and have an effective on-line after sales support including post installation training.

vi. Operate on the network to facilitate information sharing.

vii. Have adequate data security and back up routines and a highly reliable audit trail and password access at different levels.

viii. Flexible reporting formats to enable CEF to generate various reports on an ad hoc basis and revise reporting formats to accommodate any changes including the following;

1. Multi currency reporting.
2. Multi user capability.
3. efficient data entry system.
4. Automatic period end processing procedures where necessary.
5. Ability to import or export data (subject to password security) to popular spreadsheet and database programs.
6. Designed and supported by a reputable software company.

c) The computerized accounting software shall at the very minimum consist of the following modules and subsidiary ledgers:

i) General ledger

ii) Inventory Module

iii) Accounts payable Module

iv) Cashbook

v) Non-Current asset module

vi) Accounts receivable

vii) Payroll module which can be integrated with the general ledger

viii) Human Resource Module

x) Budgeting Module.

XI) Non-Current Assets Depreciation module.

d) Management will review on an annual basis the use of the accounting software to ensure it meets the reporting requirements of the Organization. Any Changes to the accounting software would be documented and the reasons approved by the Country Director and the Board of Directors.

9.5 Data security and Backups.

● Backups of information should be carried out on a daily basis. Weekly backup copies should be stored off site to ensure their safety in the event that files at the processing location are destroyed.

● an anti-virus software should be installed and updated regularly.

● all systems should be password protected to restrict unauthorized access and to ensure the integrity of information processed and passwords should be changed on a periodic basis.

● Personnel should be given the required training to properly use the systems and derive maximum benefits from it.

● Access to computer information should be restricted to appropriate staff.

9.6 Objectives of the accounting system

The objectives of the accounting system are to:

a. record the assets, liabilities, income and expenditure of CEF.

b. provides information to management to assist them in running the institution's activities on a day to day basis.

c. assists the preparation of annual budgets

d. assists the Finance Manager in managing implementation of approved interventions within the approved appropriations under their control

e. facilitates treasury management

f. provides objective yardsticks for performance evaluation of business units, departments and employees

g. enable management to identify reasons for adverse variance to facilitate remedial measures

9.7 Basic recording and books of accounts

a) Each individual transaction shall be processed in a double entry accounting system through one of the following computerized modules;

i. Accounts payable module

ii. Cashbook module

iii. General ledger module

iv. Non-Current asset module

v. Accounts receivable module

b) The general ledger is the principal book of account of the Organization. It is where all transactions are recorded either in detail or in summary totals.

c) The general ledger contains accounts which show the totals of transactions that are recorded in detail in the subsidiary ledgers.

d) All postings to the general ledger are made from journal vouchers. These are either standard journal vouchers, for items which occur regularly by month; or non-standard journal vouchers for items that are exceptional or of infrequent occurrence.

e) Postings may also be carried out from totals derived from the computerized cash book module, accounts payable module and Non-Current asset register module.

Chapter Ten

Budgeting and Budgetary Control

The purpose of this section is to set responsibilities and requirements for budgeting and cash projections.

9.1 Budget Preparation

Purpose

To have an adequate budget setting process in place, in line with the organization's needs and objectives.

Policy

a) Budgetary accounting is a management control technique employed to assist in controlling expenditures and in forcing revenue restrictions.
b) The budget shall cover both operating expenditures, staff as well as grants and disbursements.
c) Budgets should be prepared on annual basis but analyzed by quarter.
d) The first step in preparing the budget would be identifying the expected Programmes and disbursements and the related grants and donations. Based on that, management should prepare the budgeted revenues. Budgeted revenues are mainly dependent on the calculated Grants, Donations, and other sundry income. Consequently, this Budget should be initially prepared by Finance Department in consultation with operations and Program teams.
e) Disbursements to field offices are budgeted in accordance with the projects, the priorities and the needs of the offices and with a warrant presented to the CEF Board of Directors, and sets of the expected revenues from all sources.
f) Disbursements to field offices are not fully predictable at the time when the budget is prepared. These disbursements will depend on several factors that will unfold over the course of the budget year:
   - The project proposals made by the CEF/Field offices.
   - The actions of CEF Management for approving or rejecting proposals.
   - The decisions of donors, and other contributors as to the amounts they would provide to CEF and other restrictions they may impose on how their contributions to be used.
g) Accordingly, the budget for disbursements to the Field offices will need to be adjusted from time to time during the course of the year.

9.2 Budget control/analysis

a) Within ten days after the end of each Quarter, a written budget analysis shall be performed consisting of the following elements:
   - Actual revenues and expenditures will be compared to budgeted amounts; both for the current month and for the year-to-date.
   - Significant variances will be noted and their causes determined.
   - Recommended actions to ensure budget compliance for the remainder of the year will be set forth.

b) The Country Director will forward the quarterly budget analysis, in whole or in summary, to the Board of Directors along with recommended actions, if necessary.

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

10.2 Responsibilities

a) The administration of budgetary control shall be the responsibility of the Programs Manager or the Country Director.

b) However the detailed work of communicating variance information and coordinating control efforts shall be the responsibility of the Finance Manager.

c) The Finance Manager shall be responsible for generating from the accounting system as approved by the Board, monthly reports, analyzing between actual and budget to date, not later than 14 days after the end of the relevant month.

d) The Finance Manager shall receive comments from the Program Managers/ Coordinators/Officers on the variances within 7 days of receiving the reports from the Finance Manager.

e) The Country Director shall endorse appropriately agreed control action on the variances.

f) The Head of Finance shall ensure that approved control action is implemented within the agreed timeframe.

10.3 Budgets, a Tool for Budgetary Control

a) For the purpose of budgetary control, the annual master budget shall be prepared on a quarterly basis.

b) All operational overheads shall be apportioned equally, unless particular items of expenditure are known with certainty for specific periods and donors.

c) Direct operational expenses shall be apportioned between monthly and quarterly periods based on timing of each activity in accordance with the approved work plan.

d) Capital expenditure budget shall also be apportioned between monthly and quarterly periods based on the anticipated time of purchase of the asset.

e) Grants, donations, interest and sundry income shall be budgeted for the months in which they are expected to be received.

10.4 Computation and reporting of variances

a) Computation and reporting of variances shall be carried out in conjunction with the production of Quarterly management accounts

b) The reporting format for variances is similar to the budget preparation formats.

c) The variances shall be reported in the following manner.

i. Actual for the month – previous year

ii. Approved budget for the month – current year

iii. Actual for the month – current

iv. Variance amount (ii-iii)

v. Variance %

vi. Cumulative approved budget – current year

vii. Cumulative actual – current year

viii. Cumulative actual – previous year

ix. To date variance amount (vi-vii)

x. To date variance %

d) In order to ensure uniformity, presentation of periodic management accounts shall follow the annual financial statements reporting format.

10.5 Investigation of variances

a) All significant variances shall be investigated to enable remedial control measures to be implemented.

b) Recommended remedial control measures which are agreed upon with the respective heads of departments shall be approved by the Country Director and form part of the budgetary control process.

10.6 Disclosure of Budget Information in Accordance with GAAP.

CEF has adopted GAAP 24 – Preparation of budget information. To ensure compliance with the standard and the following disclosures would be made:

a) That a comparison of the budget and the actual amounts presented either as a separate additional financial statement or as an additional budget column in the financial statements for which CEF is held accountable is currently presented in accordance with the GAAPs.

b) That where the comparison of the budget and the actual amounts either as a separate additional financial statement or as an additional budget column in the primary financial statements have been presented, the financial statements and the budget would be prepared on a comparable basis.

c) That a comparison of budget and actual amounts have been separately presented for each level of funding where applicable between

i. The actual and final budget amounts.

ii. The actual and comparable amounts.

d) An explanation of material differences between the budget and actual amounts would be presented in the notes, except where such explanation has been included in other public documents issued in conjunction with the financial statements and a cross-reference to those documents has been made in the notes.

e) An explanation of the budgetary basis and classification basis adopted in the approved budget

f) The period of the approved budget (disclosed in the notes).

g) The entities included in the approved budget (disclosed in the notes).

h) Where the financial statements and the budget are not prepared on a comparable basis, a reconciliation of the actual amounts presented on a comparable basis to the budget and the actual amounts presented in the financial statements shall be disclosed in the notes.

Chapter Eleven

Financial Reporting

It is the policy of the CEF to report on its financial operations and condition fully and forthrightly, on a regular basis, promptly, and following the letter and spirit of accounting principles it has adopted. Further, it is the policy of the CEF to present financial information in a form that is useful to its stakeholders.

11.1 Reporting

Purpose

To provide a consistent reporting of financial information to stakeholders.

Policy

a) Financial information is to be provided on a timely basis using a consistent format.

b) Financial statements are a structured representation of the financial position of and the transactions undertaken by CEF. The objectives of financial reporting are to provide information useful for decision making by CEF and its stakeholders and to demonstrate the accountability of CEF for the resources entrusted to it.

c) The Financial Statements accomplish these objectives in the following manner;
- Providing information about the sources, allocation and uses of financial resources.
- Providing information about how the entity financed its activities and met its cash requirements.
- Providing information that is useful in evaluating CEF's ability to finance its activities and to meet its liabilities and commitments.
- Providing information about the financial condition of the CEF and changes in it.
- Providing aggregate information useful in evaluating CEF's performance in terms of service costs, efficiency and accomplishments.

d) The preparation and presentation of the Financial Statements is the responsibility of the Finance Department. The Finance Officer prepares the Financial Statements, and the Finance Manager will have the responsibility for final review. Financial Statements must be approved by the Country Director before disclosing them.

e) The Financial Statements are to be prepared in accordance with the International Financial Reporting Standards (IFRS).

f) The Financial Statements should be clearly identified and distinguished from other information in the same published document.

11.1 True and Fair Presentation and Compliance with International Accounting Standards (IAS)

To comply with the provisions of IASs, CEF would ensure that;

a) The financial statements present fairly the financial position, financial performance and cash flows of the entity;

b) The financial statements comply with all the requirements of each applicable IASs

c) Where the financial statement complies with other Standards other than IASs, in situations where there are no specific IASs, management would state this fact.

d) In the extremely rare circumstances in which management concludes that compliance with a requirement of a IAS would be so misleading that it would conflict with the objective of financial statements set out in IAS 1, Presentation of Financial Statements, and where the relevant regulatory framework requires, or otherwise does not prohibit such a departure, CEF would ensure the following have been disclosed:

I. That management has concluded that the financial statements fairly present the organization’s financial position, financial performance and cash flows;

ii. That the organization has complied with applicable IASs except that it has departed from a particular requirement in order to achieve a fair presentation;

iii. That the title of the IASs from which the organization has departed, the nature of the departure, including the treatment that the IAS would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in IAS 1, Presentation of Financial Statements, and the treatment adopted;

iv. That the financial impact of the departure on each item in the financial statements that would have been reported in complying with the requirement for each period has been adequately presented.

11.2 Qualitative Characteristics of IAS Financial Statements

These are the attributes that make the information provided in the financial statements useful to users. The principal qualitative characteristics are;

a) Objectivity – Financial accounting statements must be based on actual, verifiable events and should be reported in an unbiased manner.

b) Relevance - financial accounting statements must provide relevant information, which is responsive to the audience’s information needs.

c) Reliability – In order for financial accounting statements to be reliable, some assurance must exist that the statements do in fact represent what they purport to represent

d) Comparability – The conduct of comparative analyses between accounting periods constitute one of the major characteristics assumed for the audience of financial accounting. Comparability calls for like events to be reported in the same manner. When a change is made, its nature, effect and justification must be explained

e) Entity concept – Financial accounting statements and records pertain to specifically defined business entity. The entity concept directs that the accounting records reflect only the activities of the business.

f) Unit of measurement – The common denominator is money. The reporting currency is the US$ dollar and subject to management review.

g) Materiality – The concept states that any amount or transaction that has significant effect on the financial statements should be recorded and reported correctly.

h) Accounting period – The financial accounting process provides information about the economic activities of CEF for the specified time periods. E.g. month, quarter or year.

11.3 Notes and Supplementary Schedules

a) The financial statements shall contain notes and supplementary schedules and other information to make them meaningful to the end-users.

b) For example, they shall contain additional information that is relevant to the needs of users about the material risks and uncertainties affecting the institution and any obligations not recognized in the balance sheet (such as contingent liabilities)

11.4 True and Fair View

a) The monthly and annual financial statements of CEF shall give a true and fair view of the state of the Organization's affairs and the income and expenditure for each financial period.

b) The Finance Manager is responsible for ensuring that the monthly and annual financial statements are prepared in this manner. CEF shall apply the accounting assumptions and concepts described in this section on the appropriate IAS, which would then result in a true and fair view of the financial statements prepared.

c) Any material non-compliance (including any deviations from an IAS) and the effect of any such non-compliance shall be disclosed in the financial statements as supplementary notes and reported to the Board.

11.5 Communication of Standard Accounting Guidelines

The Finance Manager shall issue standard accounting guidelines from time to time in order to classify and standardize accounting policies and procedures which are specific to CEF operations

11.6 Common Information in Financial Statements

The Finance Manager is responsible for the preparation of the annual financial statements. This must be reviewed by the Country Director and approved by the Board of Trustees.

A complete set of financial statements according to IAS 1 comprise:

(a) A statement of financial position;

(b) A statement of financial performance;

(c) A statement of changes in net assets/equity;

(d) A cash flow statement;

(e) A statement of comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; and

(f) Notes, comprising a summary of significant accounting policies and other explanatory notes.

11.7 Monthly, Quarterly and Annual Reporting Procedures

a) Monthly Procedures.

The following procedures would be followed in the preparation of monthly reports:

i) The Finance Manager will use tools aimed at ensuring that monthly reports are circulated not later than 10th of the month following the end of the relevant month. A timetable would be circulated every month by the Head of Finance as required. When each step of the task is completed, the Head of Finance will mark a cross (x) in the column under the working day when it is achieved to enable him review progress and to take hastening action where necessary.

ii) For each month a complete set of management information reports, which include the following listed below, are required by the 10th of the following month:

1. Monthly management accounts;
2. budgetary variances;
3. Donors report; and
4. Notes and supporting schedules.

iii) As far as the financial statements are concerned it is a standard requirement that these shall be completed by the tenth working day after each month end.

iv) The Finance Manager shall issue a timetable each month showing the actual dates by which the various stages of work must be completed.

v) The timetable shall indicate the officers responsible for the task and list date of

1. Completion of cashbook postings, bank and cash reconciliations.
2. Completion of subsidiary ledger postings and reconciliations.
3. the various standard journal vouchers to be prepared.
4. Completion of postings to the general ledger and extracting the preliminary trial balance.
5. Completion of final trial balance after review and necessary adjustments.
6. Completion of balance sheet and income statement.
7. Preparation of supporting schedules.
8. Receipts of variance analyses explanations.

vi) Against each item, the required completion date will be indicated in the column under the required working day.

vii) The Head of Finance will circulate other guidance notes as they become necessary for the preparation of the monthly accounts and reports.

c) Quarterly Interim Financial Reports:

The quarterly interim financial reports:

- Should be prepared four times as of and for the period ended March 30, June 30, September 30, and December 31.
- Should be prepared by the Finance Officer, reviewed by the Financial Manager, and approved by the Country Director.
- Should be reviewed by independent private and qualified auditors acceptable to the Donors.
- Reports should be ready for BOD review within one week from the end of period: April 10, July 10, and October 10, and January 10.

c) End of Year Reporting

I) prior to the end of the financial year, the Finance Manager will prepare instructions setting out the timetable for the submission of accounting returns and the names of the officers responsible for their completion.

iii) The creditor's ledger and accruals and prepayments register will be kept open until the end of the fifth week after the year end, to ensure that all relevant items are included as accurately as possible.

iv) after those records are closed, any further adjustments will be made only on non-standard journal vouchers authorized by the Finance Manager.

v) the Finance Officer shall review the valuation of reserves based on estimates, and these reserves shall be approved by the Finance Manager before the closing process take place.

vi) the annual accounts must be completed within Two months (by 29 February) following the financial year closure. The audit report together with the management letter from the auditors and management responses shall then be made available to the Board of Trustees in March after the Country Director's approval.

c) Year End Accounting Routines

i. Most of the year end accounting routines would be the same as those performed each month. However, there are specific tasks to be completed at the end of year which include: -

1. the provisions for slow-moving or obsolete or deteriorated stock where applicable;

2. the write-off of unusable or obsolete property, plant and equipment;

3. the certification of cash in hand;

4. the provision for bad or doubtful debts;

4. the assessment of prepayments and accruals and

5. certificates of bank balances

ii. At the end of the year, all officers will be required to certify a statement of the balances held by them. All sundry revenue will be paid into the bank on or before the last working day of the financial year.

iii. The Head of Finance will prepare an aged analysis of all sundry debtors. On the basis of this analysis, a provision will be made for any bad or doubtful sundry debts where applicable.

iv. The Head of Finance will review the nominal ledger to identify those expenses which have been prepaid. Also he will assess the nature and value of those accruals for which provisions will be made.

v. All source documents during the first two months of the new financial year will be scrutinized carefully at the time of approval; any transactions relating to the previous year's accounts will be marked clearly.

vi. Once the trial balance has been extracted correctly, the Head of Finance will prepare the statutory accounts in accordance with GAAP Standards. He shall ensure that the statutory accounts are completed and are ready for audit by the Organization's external auditors. In addition, he shall prepare a report to the Country Director/Board which analyses and explains the results for the year.

11.8 Financial Control

CEF shall maintain the highest levels of financial control at the Organization. In order to ensure the high levels of financial control, the finance department will conduct a self-review through the use of the following:

a) Internal control questionnaire

The Head of Finance or his designate will ensure the finance regulations, policies and procedures detailed in this manual are operating effectively by performing self-audits twice a year as follows:

i) An internal control questionnaire shall be developed to provide a tool for self-auditing of the control and operating procedures defined in this manual;

ii) Schedule officers shall ensure the checklists are completed by the 20th day following each half – year end;

iii) The internal control questionnaire is a tool to ensure the institution or operation is in compliance with provisions in the manual. This helps to determine the training needs of employees;

iv) The Head of Finance shall summarize the key outcome from the checklist and follow up the ` action necessary to ensure compliance.

b) Balance Sheet Review

i) The Head of Finance or his designate shall conduct balance sheet reviews of the Organization.

ii) The reconciliation folders will include the following;

1. Bank reconciliations
2. Petty cash float count confirmation (including cash in safe)
3. Accounts receivables
4. Provisions for bad and doubtful debts
5. Prepayments schedules
6. Deposits/investments accounts
7. Accounts payable
8. Accruals schedule

Any follow up actions will be agreed after the review and agreed with the finance or schedule officer.

11.9 Specific Donor/Funder Financial Reporting

a) As mentioned in this manual, CEF has adopted accrual basis for the preparation of the entity wide financial statements. However, to enable CEF comply with specific donor reporting guidelines which are principally on cash basis, it would adopt cash basis accounting for the preparation of all specific donor reports.

CEF will prepare and present the cash basis financial statements to include the following components:

i) A statement of cash receipts and payments which:

1. Recognizes all cash receipts, cash payments and cash balances; and
2. separately identifies payments made by third parties on behalf of CEF in accordance with the Standard;

ii) Accounting policies and explanatory notes; and

iii) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the statement of cash receipts and payments would be presented

b) Information to be presented in the Statement of Cash Receipts and Payments.

The statement of cash receipts and payments should present the following amounts for the reporting period:

i) Total cash receipts of the entity showing separately a sub-classification of total cash receipts using a classification basis appropriate to the entity's operations;

ii) Total cash payments of the entity showing separately a sub classification of total cash payments using a classification basis appropriate to the entity's operations; and

iii) Beginning and closing cash balances.

Total cash receipts and total cash payments, and cash receipts and cash payments for each sub-classification of cash receipt and payment, will be reported on a gross basis.

Chapter Twelve

Audit Framework

12.1 Audit of Grants and Organization.

a) At the end of the grant period, a financial statement shall be prepared and submitted to the Funders/Donors based on the Funders/Donors Financial Statement format and if required by donors or upon availability of funds, an independent external audit shall be conducted.

b) The appointed auditor shall examine the internal controls of the Organization as set by the Organization management to assure themselves of the accuracy and reliability of the records in safeguarding the assets of the Organization.

c) Following this examination, the Auditor shall issue a report that shall draw the attention of CEF Organization to the weaknesses, if any that have come to their notice. The auditor shall also make recommendations as to how to rectify the weaknesses detected.

d) The main objective of the audit shall be to provide an independent opinion as to whether or not the Organization's financial statements show a true and fair view of the state of affairs of the Organization.

e) It shall be the duty of the Finance Officer to prepare the financial statement necessary for audit.

f) He/she shall also be responsible for making available all documents and information requested by the Auditor for the purpose of the Audit.

j) The Organization shall ensure that the auditors audit the Organization accounts at the end of each fiscal year.

h) The auditors shall be required to submit to the Organization certified true copies of the following.

1. Audited reports for all grants received.
2. Management letter.

j) The signed audited accounts shall be attached with management's responses to all issues raised in the letter of weakness before any report could be submitted to interested parties.

I. After the audit of grants, the Organization shall keep all documents pertaining to all audited grants for at least 7 years as per the Data retention and Destruction Policy.

12.2 Annual Audits of Consolidated Financial Statements

The consolidated Financial Statements;

- Should be prepared at the end of each fiscal year.
- Should be prepared by the Finance Officer, reviewed by the Finance Manager and approved by the Country Director.
- Should be audited by independent private and qualified auditors acceptable to the Donors and Board of Directors. The external audit report should encompass all activities under the Programme grant agreements, be in accordance with the local legislation and auditing requirements and be conducted according to International Standards on Auditing.

- Reports should be ready for audit within Two months from the end of the fiscal year, and the auditor's report should be completed and submitted to Board of Directors and donors within Three months from the end of the fiscal year.
- The audited Programme Consolidated Financial Statements accompanied with auditors' management letter will be submitted to the Country Director within Three months after the end of each fiscal year.

2. Should include the following;
   A complete set of Financial Statements includes the following components;
   - Statement of Financial Position.
     Statement of financial position is a financial statement that reports an organizations assets and the claims against them - liabilities and net assets - at a set date noted on the statement (Also called the balance sheet).
   - Statement of Financial Performance is a financial statement that reports the results of an organizations business operations (revenue and expenses) for a set period, usually one year (Also called an Earnings Report, Income Statement, Statement of Income, and Statement of Operations).
   - Cash Flow Statement
     Cash flow statement is a financial statement that reports the flow of cash in and out of the organization for a set period, usually one year. It reports the operating activities, investing activities and financing activities of the organization.
   - Statement of Changes in Net Assets/Equity.
     Statement of Changes in net assets/equity is a financial statement that reports the changes and movements that took place on net assets last year ending balance.
3. Accounting Policies and supplementary Notes to the Financial Statements.
4. The annual Programme Financial Statements should include the following:
   - A Statement of Sources and Uses of funds (by Grant Category / by Activity showing Bank and Counterpart Funds separately).
   - Statement of Cash Position for Programme Funds from all sources.
   - Statements reconciling the balances on the various bank accounts.
   - The Notes to the Financial Statements for the significant accounting policies and all other relevant information.
5. Budget Variance Analysis:
   - Should be prepared at the end of each month.
   - Should be prepared by the Finance Officer, reviewed by the Finance Manager, and approved by the Country Director.
   - Reports should be ready within one week from the end of month

List of Examples of Forms.

Appendix 1-Bank Reconciliation Statement.

CHARITY AND EMPOWERMENT FOUNDATION

BANK RECONCILIATION STATEMENT FOR THE MONTH ENDING-------------------

Bank Account Name:

Bank Account No:

Bank Account Currency:

General Ledger Ref. No:

	$
Balance Per Cash Book	XXX
Add: Un presented (outstanding) Cheques	XX
	XXXXX
Deduct: Uncredited Check	XX
Adjusted Cash Book Balance	**XXXX**
Add: Credits (Deposits) in Bank not yet in Cash Book	XX
	XXXXX
Deduct: Debits in Bank Statement not yet in Cash Book	XX
Balance as per Bank Statement	**XXXXX**

Prepared by-- Date----------------------

Reviewed by --- Date---------------------

Approved by-- Date--------------------

Appendix 2: Payment Requisition Form

CHARITY AND EMPOWERMENT FOUNDATION **PAYMENT REQUISITION FORM**
STAFF NAME: -- POSITION- --------------- ACCOUNT NAME: -- AMOUNT: --- PAYEE/SUPPLIER- --- QUANTITY: --- REASON FOR PAYEMENT/PURCHASE: --- REQUESTED BY--- ---DATE------------------------ REVIEWED BY---DATE---------------------- APPROVED BY --- DATE---------------------

Appendix 3: Cheque Payment Voucher

CHARITY AND EMPOWERMENT FOUNDATION
CHEQUE PAYMENT VOUCHER
DATE--
PAYEE--
ADDRESSS-- PV NO--
---CHEQUE NO---------------------------------
ACCOUNT NAME---

PARTICULARS	ACC. CODE	COST CENTER	SOF	AMOUNT
TOTAL				

AMOUNT IN WORD--

PREPARED BY------------------------------ DATE-------------
AUTHORIZED BY------------------------- DATE-------------
APPROVED BY------------------------------ DATE------------
RECEIVED BY NAME-----------------------PHONE #--------
SIGNATURE----------------------------------
DATE--

Appendix 4: Cash Payment Voucher

CHARITY AND EMPOWERMENT FOUNDATION

CASH PAYMENT VOUCHER

DATE---

PAYEE--

ADDRESSS-- PV NO---

ACCOUNT NAME---

PARTICULARS	ACC. CODE	SOF	AMOUNT
TOTAL			

AMOUNT IN WORD---

PREPARED BY------------------------------- DATE--------------

AUTHORIZED BY-------------------------- DATE--------------

APPROVED BY------------------------------- DATE-------------

RECEIVED BY NAME------------------------PHONE #-------- SIGNATURE-------------------

----

DATE---

Appendix 5: Journal Voucher

CHARITY AND EMPOWERMENT FOUNDATION

JOURNAL VOUCHER

JV NO------------------------------------

DATE------------------------------------

ACCOUNT NAME	ACCOUNT CODE	COST CENTER	DR AMOUNT ($)	CR AMOUNT ($)
TOTAL				

PREPARED BY--------------------------

DATE------------------------------------

APPROVED BY------------------------

DATE-----------------------------------

POSTED BY---------------------------

DATE-------------------------------------

Appendix 6: Certificate of Cash Balance

CHARITY AND EMPOWERMENT FOUNDATION

CERTIFICATE OF CASH BALANCE

DATE---

PERIOD: FROM: ----------------------------------

TO: -------------------------------------

CURRENCY: --------------------------------------

ACCOUNT: --------------------------------------

BALANCE FROM PREVIOUS PERIOD			XX
CASH RECEIVED DURING THIS PERIOD			XXXXX
TOTAL AVAILABLE			XXXXXXX
LESS CASH PAYMENTS DURING THE PERIOD			XXXX
CASH BALANCE AS AT THE PERIOD DATE			**XXX**
PHYSICAL CASH COUNT:			
DENOMINATION	QUANTITY	AMOUNT	
TOTAL		**XXX**	
DIFFRENCE		**XXX**	

CHECKED BY(Accountant)--------------------- DATE------

WITNESSED BY (Cashier)---------------------- DATE-------

APPROVED BY (FIN. OFF) --------------------- DATE-------

Appendix 7: Chart of Accounts

CEF Chart of Accounts

Code	Account Name	Note
1000	Property, Plant and Equipment	
1010	Computer, accessories and Equipment	Computers, printers, cameras, scanners etc.
1020	Motor Vehicles and Cycles	Cars, buses, Motor bikes etc.
1030	Furniture and Fittings	Tables, Chairs, Fittings, cupboards
1040	Land and Buildings	Land, Buildings, Capital improvements
1100	Current Assets	
1110	Cash at Bank	The sum of all coins, currency and other unrestricted liquid funds that have been placed on deposit with a financial institution/banks.
1120	Cash on Hand/Petty cash	Small amount of discretionary funds in the form of cash used for expenditures where it is not sensible to make any disbursement by cheque, because of the inconvenience and costs of writing, signing, and then cashing the cheque
1130	Accounts Receivable/Sundry Debtors	Cash expected from sundry debtors.
1140	Prepaid Expenses/Prepayment	Cash paid in advance of receipt of goods and service / Service or goods to be received in future.
1150	Grants receivable	Grants due for this year from donors
1160	Stock	Inventory that the organization has on hand.
1200	Accumulated Funds	
1210	Unrestricted Net Assets	Unrestricted net assets are donations to that can be used for general expenses or any other legitimate purpose of the Organization.
1220	Temporarily Restricted Assets	Temporarily restricted net assets are the assets of a Organization that have a special restriction that was imposed by the donor. The restriction either requires that assets be used in a certain way, or the restriction will be removed after a certain amount of time has passed.
1230	Permanently Restricted Assets	Permanently restricted assets are funds of a nonprofit organization that must be used in designated ways and whose principal cannot be touched. The income that the principal amount earns goes toward funding the stated wishes of the donor(s).
1300	Current Liabilities	
1310	Accounts payable/Sundry Liabilities	Money owed by the Organization to its creditors/Suppliers.
1320	Accrued Salaries	Salaries owed/unpaid by the organization to its staff
1330	Accrued payroll Taxes	Unpaid payroll taxes (Income Tax/PAYE) to the relevant tax authority-National Revenue Authority.
1340	Accrued Employee Benefits	Unpaid benefits (NSIF/Pension) held by the Organization on behalf of its staff to be
1350	Grants In advance	Designated donor funds received for this year and not yet spent.
SUPPORT AND REVENUE		
2000	Donor Income:	
2010	Save the children	For grant received from Save the children
2020	Norwegian Refugee Council	For grant receive from Norwegian Refugee Council
2030	Oxfam(ECW)	For grant received from Oxfam
2200	Other/General Income	
2210	Donation and fundraising	Fund-raising activities, miscellaneous donations
2220	Membership and Subscription fees	Income generated from BOD and other willing members
2230	Consultancy	Money generated through provision of consultancy services
2240	Interest Income	Earnings generated by investments such as savings accounts and certificates of deposit.
GENERAL AND ADMINISTRATIVE EXPENSES		
3000	Expenditure: Administration	
3010	Audit and accountancy	Audit fees and other accountancy expenses
3020	Bank charges and Interest	Bank service fees and interest charged on withdrawals and OD balance.
3030	Postage and Courier	Sending through post office and Courier services
3040	Stationery, computer and photocopier consumables	Cost of buying stationery items, inks, toners, cartridges, purchase of expendable office equipment.
3050	Visibility/Publicity	Posters, leaflets, advertising, banners etc.
3060	BOD Expenses	Room hire, refreshment, AGM expenses.
3070	Office rent & utilities	Office rents, insurance and utilities-Electricity, water.
3080	Repairs and Maintenance	Servicing, small equipment, office repairs
3090	Communications	Telephone, internet, postage, courier, fax
3091	Legal Costs	The money that is paid for the lawyers and the court in a legal case.
3092	Accumulated Depreciation Expense	The total amount an asset has been depreciated up until a single point
4000	Expenditure: Personnel	
4010	Support staff Salaries & Wages	Gross salaries for contracted staff and incentives for volunteers under general support.

4020	Staff training	Course fees, meals and accommodation.
4030	Staff Recruitment	Recruitment advertising and interview expenses.
4040	Travel & subsistence	Per diem, meal/overnight allowance, bus fares, and air transport.
5000	Expenditure: Vehicle running	
5010	Vehicle hiring	Vehicle hiring for official use
5020	Fuel	Petrol, diesel and oil cost
5030	Vehicle insurance/tax	Vehicle insurance (Comprehensive/Third party) premium and road user costs.
5040	Vehicle repair and maintenance	Service, repairs, tires, spare parts, car wash.
6000	Programmatic Expenditure	
6010	Consultants fees	Programmatic trainer fees/expenses inclusive of accommodation, visa, air fare and local transportation.
6020	Program staff Salaries and Wages	Gross salaries for contracted staff and incentives for volunteers under Programmes.
6030	Training and hiring of staff/Kick off and Refresher	Room hire, food for trainees, material development, water, soda, drinks, projector, and attendees' transportation.
6040	Training materials	Flipchart, flipchart stand, pens, note books, stickers notes etc.
6050	Assessment and Survey	Assessment, data collection, evaluation etc.
6060	Service giving to beneficiaries	School fee, business start-up kits, scholastic materials, hygiene kits
6070	Public Awareness campaign	All campaign and awareness related activities
6080	Visibility/Publicity	Banners, T-shirt, caps, leaflets, etc.
6090	Refreshment	Drinks, biscuits, etc.
6091	Construction materials	The cost of purchase of construction materials
6092	Construction services	Cost of construction service
6093	Project input transportation and Clearance and Loading and off-loading.	Car hire to transport goods and services, security clearance, loading and offloading of items.

CEF Project Codes	
Project code	Program
100	Health
110	Nutrition
120	WASH
130	General health
200	Education
300	Protection
400	Livelihood
CEF Cost Centers	
500	Juba
510	Abyei
520	Aweil South
CEF DEA Codes Salary	
4011	Country Director
4012	Program Manager
4013	HR & Admin Officer
4014	Finance Officer
4015	M & E Officer
4016	Protection Officer
4017	Livelihood Officer
4018	Education Officer
CEF DEA Codes Travel	
4041	Country Director
4042	Program Manager
4043	HR & Admin Officer
4044	Finance Officer
4045	M & E Officer
4046	Protection Officer
4047	Livelihood Officer
4048	Education Officer