



# Financial & Administration Regulations

## Twaweza East Africa 2015



**Revised December 2018**  
This policy document replaces all previous versions  
Approved by the Board of Directors of Twaweza East Africa

# Contents

<b>1. Introduction</b> .....	<b>5</b>
1.1 Status .....	5
1.2 Purpose of these Regulations .....	5
1.3 Setting of Regulations .....	5
1.4 Compliance.....	5
1.5 Major Accounting Policies.....	6
<b>2. Guiding Principles</b> .....	<b>7</b>
<b>3. Bank Management</b> .....	<b>9</b>
3.1 Bank accounts .....	9
3.2 Signatories.....	9
3.3 Authorization and security levels.....	10
3.4 Foreign exchange management.....	10
3.5 Bank reconciliations .....	11
<b>4. Expenditures</b> .....	<b>12</b>
4.1 Payments.....	12
4.2 Payment authorization.....	13
4.3 Payment methods .....	15
4.4 Petty cash.....	16
4.5 Purchase orders (LPOs) .....	16
4.6 Contracts .....	17
4.7 Imprests .....	18
4.8 Credit cards.....	19
<b>5. Procurement</b> .....	<b>21</b>
5.1 Guiding Principles.....	21
5.2 Procurement authority levels.....	22
5.3 Tenders.....	22
6.1 Payroll authorization .....	23
6.2 Payroll features .....	23
6.3 Payroll processing .....	23
6.4 Loans.....	23
6.5 Consultancy payments .....	23
<b>7. Asset Management</b> .....	<b>24</b>
7.1 Management.....	24
7.2 Receipts and issues .....	24

7.3 Records.....	24
7.4 Asset codes.....	24
7.5 Care and repair of assets.....	24
7.6 Loss or damage of assets.....	27
7.7 Reports.....	27
7.8 Insurance of assets .....	27
7.9 Asset stock checks.....	28
7.10 Keys.....	28
7.11 Disposal of assets .....	28
<b>8. Stores Management .....</b>	<b>30</b>
8.1 Management.....	30
8.2 Issues.....	30
8.3 Receipts.....	30
8.4 Restocking.....	30
8.5 Records .....	30
8.6 Reports.....	30
8.7 Stock checks .....	30
<b>9. Vehicles .....</b>	<b>32</b>
9.1 Entitlement .....	32
9.2 Logbooks and records .....	32
9.3 Laws and regulations.....	32
9.4 Accident and loss.....	33
9.5 Maintenance and repair.....	33
<b>10. Daily subsistence allowances (DSA) .....</b>	<b>34</b>
10.1 Eligibility and coverage.....	34
10.2 Rates .....	35
<b>Annex I: Payment Voucher (PV) details.....</b>	<b>34</b>
<b>Annex II: Payment Procedures .....</b>	<b>36</b>
<b>Annex III: Twaweza Guide on Imprests .....</b>	<b>38</b>

## Definitions

- **“Board”** means Board of Directors of Twaweza
- **“DSA”** means daily subsistence allowance whose rates shall be set
- **“Employee”** means any person employed by Twaweza on a contract basis
- **“Employer”** means the Board of Directors of Twaweza
- **“Executive Director”** means of the Executive Director of Twaweza.
- **“Manager, Finance”** – Twaweza employee designated by the Executive Director to be responsible for Financial Administration
- **“Manager responsible for Operations”** or **“Operations Manager”** – Twaweza employee designated by the Executive Director to be responsible for Administration, Office functioning and Human Resources Management.
- **“Auditor”** – external accountant
- **“Family”** means an employee, his/her spouse, and legal children under the age of 18 years.
- **“Long term contract employee”** – means an employee of Twaweza East Africa working full time with a continuous contract of more than six continuous months
- **“Manager”** means an employee responsible for overseeing and supporting the work of subordinate employee(s)
- **“Management”** means the executive authority of the organization vested in the Executive Director
- **“Organization”** means Twaweza
- **“Partners”** means an organization or other entity with whom Twaweza formally collaborates in the pursuit of a common aim.
- **“Policies”** means the Twaweza Human Resource Policies and as may be amended by the Board of Directors from time to time.
- **“Regulations”** means the Finance and Administrative Regulations as articulated herein and as may be amended by the Board of Directors from time to time.
- **“Service providers”** means an individual, company or an organization duly registered by a competent authority to provide services, and who is, according to the agreement, a potential part or the party to a procurement agreement with the procuring entity.
- **“Twaweza”** means Twaweza.
- **“Probation”** means the period of initial employment, during which appointment to the position is yet to be confirmed by the employer
- **“Working day”** means a day in which an employee would normally be required to work (i.e. Monday to Friday). A working week has five working days.

# 1. INTRODUCTION

## 1.1 Status

Twaweza East Africa is a (not for profit) company limited by guarantee and not having a share capital, registered under the Companies Act, 2002 (Cap 212 of the Laws of Tanzania). Twaweza's activities across East Africa are managed through Twaweza East Africa.

## 1.2 Purpose of these Regulations

1.2.1 The Finance and Administration Regulations (hereinafter 'Regulations') contain the basic principles, policies and regulations that are to guide Twaweza East Africa's financial and administration operations. Their purpose is to ensure that Twaweza East Africa functions in an accountable, effective and efficient manner, consistent with its Articles of Association, mission and values. The regulations are meant to provide all employees with a clear understanding about financial operations, including the roles, powers, rights and responsibilities of employees of Twaweza East Africa.

1.2.2 The Finance and Administration Regulations contains standards for ensuring that the highest professional standards are adhered to in the performance of the accounting and auditing functions, and that full, clear and accurate financial records maintained at all times.

## 1.3 Setting of Regulations

1.3.1 The major policies and regulations of Twaweza East Africa shall be set by the Board of Directors consistent with Twaweza East Africa Articles of Association and in line with changes in legislation. The Board reserves the right to revoke, add or amend the Regulations at any time as may be needed.

1.3.2 Twaweza East Africa employees shall generally enjoy the right to reasonable information, consultation and participation in respect to the formation of the Regulations. The Executive Director shall establish an appropriate process, mechanism and schedule, through which employees may, about once a year, submit recommendations for changes to Twaweza East Africa Regulations.

1.3.3 Once approved, the Executive Director shall be the interpreter of Twaweza East Africa Policies and Regulations on behalf of the Board of Directors.

## 1.4 Compliance

1.4.1 All Twaweza East Africa employees are required to abide by and promote these Regulations. Where specific responsibilities are delineated persons responsible shall discharge their responsibilities fully in accordance with the Regulations. Non-compliance with the Regulations or any part thereof shall constitute a breach of employment contract and the code of conduct as specified herein, and may become subject to disciplinary action.

1.4.2 All employees who have knowledge of non-compliance of the Regulations shall be responsible for promptly alerting the Executive Director of the matter.

1.4.3 Any employee who through misappropriation or misapplication of funds or other significant non-compliance of the Regulations causes loss or damage to Twaweza East Africa may be held personally liable, and shall be subject to reimbursement of loss/damage to Twaweza East Africa and/or face other disciplinary action. The Appointing Authority shall make such determinations in a fair and consistent manner, and provide reasons for the determination in writing. The employee concerned shall have right to a fair hearing and right to appeal in accordance with applicable provisions for the same as set forth in the Policies and these Regulations.

## 1.5 Major Accounting Policies

1.5.1 The Twaweza East Africa financial year shall end on 31 December of each year.

1.5.2 Twaweza East Africa shall prepare annual financial statements in accordance with the International Financial Reporting Standards (IFRS), including historical cost conversion (accrual) basis of accounting.

1.5.3 Twaweza East Africa shall ensure an asset register is regularly maintained and that it shall appear as a memorandum in the Books of Account.

1.5.4 Depreciation commences when an item is available for use and ceases earliest when assets ends to be available for use. Depreciation rates/asset values shall be subject to impairment and an impairment exercise shall normally be carried out at least once every two years. Subject to requirements of the IFRS and further amendments as may be made from time to time by the Board, Twaweza East Africa shall observe the following depreciation schedule:

ITEM	DEPRECIATION
Lands and buildings	3%
Motor vehicles and cycles	25%
Computers	33.3%
Other equipment and tools	25%
Furniture and fittings	12.5%

(may be adjusted for items with a shorter expected use span)

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

1.5.6 Twaweza East Africa financial statements shall be audited by an international recognized independent audit company on an annual basis no later than two months of the close of the financial year. The audit company shall be appointed by the Members of Twaweza East Africa during the Annual General Meeting. The audit company shall be eligible for reappointment for a maximum period of 3 years from the date of first appointment.

1.5.7 Twaweza East Africa shall maintain all substantive financial records (in both 'essential-only' paper and electronic formats) in a secure and organized fashion for a period of seven years after the end of the financial year, or longer if agreed otherwise in donor contracts.

## 2. GUIDING PRINCIPLES

Twaweza East Africa shall strive to achieve the highest levels of financial standards and accountability. It recognizes that it is entrusted by the public to be responsible and effective stewards of resources and assets. In this context Twaweza East Africa shall be guided by the following principles:

### 2.1 Custodianship

- Resources of the organization are effectively, efficiently, honestly and faithfully used to achieve the organization's objectives.
- Resources and assets are safeguarded from loss, fraud, waste and inefficient use.

### 2.2 Cost Effectiveness

- Funds are used carefully to maximize quality and minimize cost.
- Culture of frugality and value for money is promoted and observed.

### 2.3 Accountability

- There is segregation of responsibilities and accountability exercised at different levels as appropriate, with specified roles for the Board of Directors, Executive Director, Directors, Managers, and Employees.
- Finance Statements are prepared in accordance with internationally recognized standards and formats and are consistent with approved Policies and Regulations.
- Financial Statements are rigorously audited by an independent, internationally recognized and well respected audit firm.

### 2.4 Transparency

- Decisions and actions are fully documented and unusual circumstances are explained.
- Financial information is accurately recorded, clearly presented and disclosed without undue delay to those who have a right to request it.
- Files and documentation are maintained in clear, well organized and accessible order at all times.

### 2.5 Compliance

- Financial management is consistent with legal requirements.
- Compliance, reliability and consistency with Twaweza East Africa Finance and Administration Regulations is maintained at all times.
- Exceptions to regulations are kept to a minimum, employed only when necessary and justifiable, fully documented and authorized.

### 2.6 Integrity

- Integrity of the organization and individuals within the organization is demonstrated and beyond question.
- There is zero tolerance for corruption.
- There is full clarity about how funds are utilized and records represent an accurate, true and fair reflection of reality.
- Regulations and practices ensure that actual, potential or perceived conflicts of interest are avoided.

## **2.7 Sustainability**

- Management of resources, assets and planning are done in a manner that enhances and safeguards the sustainability of Twaweza East Africa and its work.

## **2.8 Corporate Responsibility**

- The Executive Director, Directors, Managers, and Employees take individual responsibility for the accuracy and completeness of matters under their authority. Signing of organizational documents within one's authority levels means confirming one's accountability for consistency and quality.
- In formal decisions, this is confirmed by the individual signing and placing a date on the requisite documents, or indicating the taking of responsibility by way of an email.

## 3. BANK MANAGEMENT

### Purpose

Twaweza East Africa shall maintain its funds in accounts with a safe, nationally and internationally reputable and cost-effective bank(s) capable of providing quality national and international banking services. The Regulations below specify the manner in which Twaweza East Africa bank accounts shall be operated and managed to ensure accountability, transparency and effectiveness.

### 3.1 Bank accounts

3.1.1 The Board of Directors shall approve appointment of bankers and opening and closure of all Twaweza East Africa bank accounts. In making its determination the Board shall take into consideration reputation of bank, safety and security of funds, efficient service, cost of service and other criteria that it deems to be in the interest of Twaweza East Africa.

3.1.2 The Board shall also approve the rules governing the operation of bank accounts, including types and currencies of accounts, signatories and the authority levels of each signatory, minimum signatory requirement, and other safety measures.

3.1.3 All decisions regarding the operation of bank accounts shall be documented in writing and communicated with the relevant banks in writing by the Executive Director. The Executive Director shall sign all agreements made with Twaweza East Africa's bankers.

3.1.4 All bank accounts shall be registered in the name of Twaweza East Africa (or Twaweza East Africa and the name of the specific Project) and not in the name of any individual or other entity.

3.1.5 Unless determined otherwise by the Board, Twaweza East Africa shall maintain accounts in United States dollars as well as local currency with its bankers.

3.1.6 Twaweza East Africa shall wherever possible place funds in interest bearing accounts and seek arrangements where bank charges are kept to a minimum. All earnings and bank charges (including foreign exchange gains and losses) shall be fully accounted for and documented, and reflected in the annual books of account.

3.1.7 Twaweza East Africa may receive and hold funds in designated accounts at Hivos Headquarters in the Netherlands, provided interest earned on the same shall accrue to Twaweza East Africa.

3.1.8 Where Twaweza East Africa holds significant funds that are not immediately needed for operations in the near future, the Finance Manager shall be responsible for advising the Executive Director in a timely manner to open fixed deposit accounts with reputable banks, for short term periods, provided a) cash flow needs of the organization are not affected and b) all normal authorization requirements of opening bank accounts are followed.

3.1.9 To the greatest extent possible, Twaweza East Africa aims at becoming a 'cashless organization', and where it is not practicable to effect transactions using bank accounts Twaweza East Africa shall maintain mobile payment accounts. Opening and managing of mobile money accounts shall follow the same guiding principles and regulations as those for bank accounts.

### 3.2 Signatories

3.2.1 Signatories of Twaweza East Africa bank accounts shall be determined by the Board of Directors. Unless determined otherwise, signatories of bank accounts shall normally comprise of the following:

- The Executive Director

- Directors and selected Managers or other senior staff appointed by the Executive Director as signatories of bank accounts with the consent of the Board.

3.2.2 No person who is not an employee Twaweza East Africa with a valid contract may be a signatory of Twaweza East Africa bank accounts. The Finance Manager shall promptly advise the Executive Director to inform the Board and respective bank whenever an authorized signatory is no longer employed by Twaweza East Africa.

3.2.3 An employee who is serving the probation period of his/her contract may normally not be a signatory of Twaweza East Africa bank accounts.

3.2.4 The Finance Manager shall normally prepare bank transactions for Twaweza East Africa, including writing cheques and drafting bank instructions. However, in order to maintain segregation of powers the Finance Manager shall not be a signatory to Twaweza East Africa bank accounts.

### **3.3 Authorization and security levels**

3.3.1 All cheques and other bank transactions shall normally be signed by the Executive Director and one other authorized signatory. When the Executive Director is out of the office for more than one month he/she may delegate, in writing, primary signature authority to another authorized signatory for that period. The Executive Director shall inform the Board Chairman of this delegation.

3.3.2 All physical transactions with the bank shall only be valid when stamped by an official Twaweza East Africa stamp that shall normally be retained by the Executive Director.

3.3.3 The Executive Director may grant other selected employees of Twaweza East Africa limited authority to present documents to banks, cash cheques, make deposits, obtain bank statements and other such transactions provided that such privileges are clearly specified in writing and not in any way be construed as having signatory authority.

3.3.4 All transactions undertaken with banks shall be in writing. Correspondence delivered to the bank shall have a confirmation of delivery (such as fax receipt, signed dispatch, official email or copy stamped as received by the bank) and copies shall be maintained in appropriate files. Internal correspondence regarding major bank matters shall also be in writing and the Finance Manager shall ensure copies are filed in appropriate files.

3.3.5 Should Twaweza East Africa undertake financial transactions through electronic or mobile banking, it shall only do so after being satisfied that adequate security measures are in place and with the consent of the Board of Directors.

### **3.4 Foreign exchange management**

3.4.1 Funds received in foreign exchange shall normally be kept in a US dollar account.

3.4.2 Twaweza East Africa shall normally maintain most of its funds in the US dollar account and US dollar savings accounts so as to safeguard value of its resources from devaluation of local currencies and to maximize interest from its reserves.

3.4.3 The Finance Manager shall monitor bank balances and recommend to the Executive Director transfer of funds from the US dollar to local currency accounts as needed and in good time so as to not jeopardize cash flow.

3.4.4 The Finance Manager shall seek to maximize the exchange rate used in transferring US dollars in Twaweza East Africa's favor. This shall normally be done through negotiating a favorable rate with

Twaweza East Africa bankers.

3.4.5 The Finance Manager shall prepare a calculation of exchange rate gains or losses annually as the case may be and submit it to the Executive Director for approval. The Finance Manager shall ensure that a fair exchange rate is negotiated with the bank, and any discrepancy to be reported to the bank no later than 10 days from receipt of bank statement.

### **3.5 Bank reconciliations**

3.5.1 The Finance Manager shall each month prepare an accurate bank reconciliation statement in accordance with internationally accepted accounting standards. The bank reconciliation shall be completed and submitted to the Executive Director for approval no later than on the 14<sup>th</sup> of the month following the month for which the statement is prepared. The Executive Director shall review and approve (in writing) the bank reconciliation statement within one week of receipt.

3.5.2 The Finance Manager shall produce an accurate annual bank reconciliation statement and submit it to the Executive Director no later than the 15th day of January of the following year.

3.5.3 The Finance Manager shall secure and review bank statements each month in time to prepare the monthly bank reconciliation statement. The Finance Manager shall notify the Executive Director of any anomaly or variance, and the Executive Director notify the respective bank of the same in writing within ten working days of receipt of the bank statement.

3.5.4 When performing bank reconciliation for month X, any un-cleared transfer from month X-2 or before is reclassified back to cash book via JV, the JV is to be signed by two people in Finance and the Executive Director. E.g. items outstanding from June be reconciled when the August bank reconciliation is done.

## 4. EXPENDITURES

### **Purpose**

The purpose of this regulation is to establish the policies and procedures that shall guide the management, authorization, documentation, accountability and reporting of expenditures at Twaweza East Africa.

### **4.1 Payments**

4.1.1 Payments shall only be made for bona fide expenses that further Twaweza East Africa objectives.

4.1.2 Payments shall be made on a timely basis and without undue delay so as to maintain good relations with service providers. Where goods/services have been satisfactorily delivered and all requisite documentation has been adequately lodged by the service provider, all officers responsible for processing payment shall strive to ensure payment is effected as soon as possible and no later than two weeks (10 working days) from the date when the satisfactory demand for payment was received.

4.1.3 For payments that are processed manually, Twaweza East Africa shall maintain Payment Voucher (PV) books that are in triplicate and printed. All PVs (both processed manually and in Salesforce) shall be pre-numbered. In the interest of accountability and proper control of resources, payments shall only be made against Payment Vouchers that have been approved by respective Manager.

4.1.4 In the interest of enhancing understanding, transparency and accountability, and for third party and future reference, all PVs shall contain all information required and relevant supporting documentation as specified below and in Annex I. No payment shall be made to third parties without an invoice (or written request for payment or other similar document) or receipt if the material was purchased directly.

4.1.5 Where necessary, partial advances may be made against pro-forma invoices/quotes but in all cases final or full payments shall only be made against a tax invoice or demand for payment in case of individuals. In general advance payments should be kept as low as possible, up to a limit of 70% where Twaweza East Africa has no prior relationship with the third party and there are clear deliverables against which the final payment will be made, or withheld, as the case may be. In exceptional cases, and only with the approval of the Executive Director on a case by case basis, may this limit be waived.

4.1.6 All payments shall normally follow the standard procedures as highlighted in the Finance workflow detailed below and in Annex II.

4.1.7 All persons involved in the preparation, processing or approval of PVs shall ensure that the information they provide (including supporting documentation) is accurate, truthful, pertinent and complete, and shall in event of doubt or concern seek advice of the Finance Manager and/or the Executive Director. The specific information requirements for the PV are outlined in Annex I.

4.1.8 To minimize risk, and in line with efforts to move Twaweza East Africa to being a 'cashless organization', wherever possible payments shall be made by bank transfer or mobile money payment rather than open cheque or cash.

4.1.9 Any amendments to PVs (or any other financial document) shall be made by placing one clear strike over the incorrect information and replacing it the correct information, and all such changes shall be initialed by both the signatories. White out or other means to completely block out the incorrect part shall not be used. Where amendments make the financial document unclear or difficult

to understand the financial document shall be **CANCELLED** (and filed in the book) and a fresh document written. For PVs to be amended in Salesforce, it shall be rejected and reasons for rejection should be stated clearly on the PV. Where the PV is to be fully cancelled, the respective person shall change the status to read “cancelled” and shall also put reasons for the cancellation.

4.1.10 The first copy of the PV shall constitute the original and shall be filed in monthly expenditure files together with all supporting documentation. The second duplicate copy shall be filed in serial order in a separate file established for the purpose. The third copy shall remain in the PV book and shall be stored securely. The Finance Manager shall ensure all PV documents are well organized and secure. For PVs processed in Salesforce, the copy of PV that has been fully approved shall be printed along with other supporting documentations minimally required by law and filed in a serial order in a separate file established for the purpose.

4.1.11 Each payment voucher submitted to finance must have evidence/ proof that the bank details we have been given are from the Payee. This can be in the form of an official document from the Payee, such as invoice or letter, or a document with Payee that has such details. These need to be attached to the PV. Employee who received the proof from the Payee needs to sign that they received the information from the payee. This is to protect both the Payee and Twaweza from making payments to an incorrect account, or the Payee claiming we paid funds into an account that they did not authorize.

4.1.12 Before any payment is made, the relevant manager needs to ensure that all supporting documents are there and certify the following:

- a) The work has been done as required and checked by the manager or an authorized representative of the manager (best shown by a table where on the left side the required outputs from contract/ LPO are shown and on the right side what was actually done/ delivered is shown).
- b) Correct quantity delivered (state quantity clearly)
- c) Has met quality standards (this should explain what quality aspects were checked and by whom)
- d) Explain where it can be found (e.g. it is in publications store, it is installed in Head’s office, a reference to common folder where the report is saved, uploaded on YouTube etc.)
- e) Payment is correct as per contract or LPO.
- f) Everything is accurate and genuine.

## **4.2 Payment authorization**

4.2.1 All procurement undertaken by Twaweza East Africa shall be consistent with Twaweza East Africa Policies and Regulations and good procurement practice. In order to enhance transparency, ensure control, responsibility and strengthen accountability (checks and balances) all payments (unless specified otherwise herein) shall normally involve minimum three levels of staff: the Program Assistant concerned with preparing the payment, the budget holder or Line Manager whose unit is concerned with the expenditure, and the Finance Manager checking the PV for accuracy and compliance. Where the amount exceeds set limits for Line Managers or where the expenditure is sensitive, unusual or outside approved plans/budgets the Executive Director’s scrutiny and approval are also needed. The specific roles and responsibilities are summarized below, and further detailed in

Annex II:

OFFICER RESPONSIBLE	ROLE AND RESPONSIBILITY
Receptionist or any other Respective staff	<i>Records invoices in register, redirect to relevant unit.</i>
Program Assistant concerned	<i>Prepare payment in accordance to Regulations, ensuring sufficient balance for the activity, verifying payee details, entering budget code, and confirming accuracy of figures.</i>
Budget holder	<i>Scrutinize/Recommend: Ensure payment is proper, accurate and consistent with plans and budgets, and within authority level. Also ensure correct budget code, and accuracy of figures in Decision Memo, contract, and payment voucher.</i>
Accountant(s) (as necessary, given division of duties)	<i>Confirmation: Check for accuracy and that all previous steps have been properly executed, description and supporting documentation are adequate, approval levels are properly authorized. Ensure entry within the Accounting system and the online banking system.</i>
Executive Director	<i>Approval: Approve where expenditure is above manager approval authority levels, unusual, sensitive or outside approved plans/ budgets.</i>
Accountant/Signatories	<i>Payment: Accountant to stamp PAID on the PV and all supporting documents and verify them in payment register and circulate to Executive Director and a second signatory and pay, or effect payment from petty cash as the case may be.</i>

4.2.2 The Executive Director may delegate authority to confirmed Directors and Line Managers to approve payment provided that the payment is consistent with approved plans, budgets, strategy, criteria and guidelines; is not sensitive, unusual, or involving government or donors; and in the judgment of the Manager is not deemed to actually or potentially pose significant risk to Twaweza East Africa. In such cases where authority is delegated, payments may not be “broken down” into smaller pieces so as to be below the set threshold. Authority levels are as follows:

Authorization limit	Responsibility level (for confirmed managers)
< USD 20,000	Managers
< USD 50,000	Directors
> USD 50,000 to USD 300,000	Executive Director
> USD 300,000	Board of Directors

4.2.3 Where circumstances demand, the Executive Director may withhold authorization of payment provided reasons for doing so are clearly communicated in writing in order to expedite payments each responsible officer involved in the authorization process shall strive to respond as quickly as possible; normally no later than within two working days of having received the PV.

4.2.4 In the course of undertaking the monthly review the Finance Manager and Director for Programs and Services shall exercise overall scrutiny of all expenditures, and make observations regarding compliance with policies, sound budget management and value for money as appropriate.

4.2.5 No payment to any individual, company, or organization shall be made without a duly filled and

signed form used for capturing bank details. Where a contract is being entered into with Twaweza East Africa, this same form shall be used to source bank details from the individual, company, or organization, and the same details shall be copied into the contract which shall be signed by both parties. Signing of the form by the third party confirms the validity of the details, and clears Twaweza East Africa of any responsibility.

#### **4.3 Payment methods**

4.3.1 Wherever possible payments shall be made by electronic bank transfer or mobile money payment rather than cash or cheque. Payment details are only valid if accompanied (if for a first transaction) by the requisite bank details form. When dealing with an organization or company under no circumstances shall payments be made to accounts in the name of an individual.

4.3.2 Where unavoidable, cheques shall generally be made in the name of the payee and shall remain 'closed' (i.e. Account Payee Only). In limited circumstances when payment is made to an individual who does not maintain a bank account cheques may be made out in his/her name and 'opened' so as to enable the payee to cash the cheques with presentation of identity to the Bank. Cheques made out to 'cash' (instead of name of payee) shall generally be avoided and used in only very limited circumstances where the previously mentioned options are not feasible, and in such cases the reasons for doing so shall be clearly documented.

4.3.3 All cheques and other important bank related documents shall be maintained in locked safes by the Finance Manager.

4.3.4 All cheques and other bank transactions shall in addition to minimum required signatures bear the official stamp of Twaweza East Africa whose specimen shall be submitted to the bank. This stamp shall be in the possession of the Executive Director.

4.3.5 Twaweza East Africa shall maintain an independent record of cheques and other instructions for payment to enable an audit trail and safeguard the organization against potential falsification of cheques. The Finance Manager shall arrange to make a photocopy of each stamped and signed cheque before it is paid to the payee, and maintain a file of such copies in a secure location.

4.3.6 The Finance Manager shall maintain a register of all payments made and cheques that are written in serial order. The register shall contain all information noted on the banking system printout and/or 'cheques list' and in addition maintain a running bank balance.

4.3.7 The Finance Manager shall ensure that a payment is effected or cheque is written only where there is assurance of adequate bank balance and that the payment shall not 'bounce'.

4.3.8 The Finance Manager shall clearly mark all cheques that are spoiled 'CANCELLED' in large print in indelible ink and maintain these in the cheque book. The relevant bank shall be notified of the same in writing when transmitting the 'cheques list'.

4.3.9 Blank cheques may never be signed regardless of circumstances.

#### **4.4 Petty cash**

4.4.1 Twaweza East Africa shall maintain petty cash funds at its offices to enable efficient payment of small expenditures for which cheque payment is not practicable.

4.4.2 In the interest of safety, unless otherwise determined by the Executive Director, petty cash funds shall be limited to the equivalent, in local currency, of United States dollars one thousand and five hundred (USD 1,500) only, in each country. The Executive Director may also establish the availability of petty cash funds available in United States dollars, where it is deemed necessary, in the

best interests of the organization, and where there are sufficient accountability measures in place.

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

4.4.4 The maximum limit for any payment by petty cash shall normally be USD 125; payments above this amount shall normally be made by cheque. Any exceptions to this requirement shall be exercised only rarely where the Executive Director determines it to be in the interest of Twaweza East Africa, provided that reasons for the exception are clearly documented.

4.4.5 Petty cash funds shall be retired at the close of each month or when 75% of the float is used up. The Officer assigned to maintain petty cash shall strive to ensure retirements are lodged in good time before amounts run out so as to minimize disruption.

4.4.6 Replenishment of petty cash funds shall be prepared by the relevant Accountant, verified by the Finance Manager and approved by the Country Lead or Executive Director. Replenishments may not be done where there are outstanding queries or problems with any substantial expenditure in the retirement.

4.4.7 Petty cash funds shall be segregated from other funds and kept in the custody of an officer designated by the Executive Director in a locked cashbox. The person(s) charged with custody of petty cash shall be responsible for its safekeeping.

4.4.8 Petty cash funds may not be used or loaned for any purpose other than as specified herein. The Manager responsible for Operations or other person designated by the Executive Director shall arrange to conduct periodic 'spot checks' of petty cash balances and document the spot check. Any discrepancies shall be noted in writing and brought to the attention of the Executive Director. Furthermore, the Finance Manager or any other designated Accountant shall undertake a petty cash count randomly each month.

4.4.9 The Accountant shall prepare an accurate and timely report each month of all petty cash expenditures for review by the Finance Manager and approval by the Country Lead or Executive Director.

#### **4.5 Purchase orders (LPOs)**

4.5.1 Purchase orders (LPOs) shall be required for orders which are not paid for at the time of the order and for which it will need to make a future payment. LPOs may but need not be placed for orders whose total cost does not exceed the equivalent, in local currency, of US dollars 125. No order for goods or services whose value exceeds these amounts shall be placed without an authorized LPO or authorized contract.

4.5.2 LPOs shall only be placed after procurement requirements (see Section 5 on Procurement) and other applicable requirements have been fully met.

4.5.3 Official LPOs shall be compiled by the officer responsible for procurement. The LPO shall bear information regarding the order, such as precise specifications, quantities, quality, packing, delivery dates and other such information as may be necessary to ensure the quality, appropriateness and timeliness of the good/service ordered. The officer responsible for procurement shall attach relevant supporting documentation such as proforma invoices and detailed specifications to the LPO. For printed materials the Communications guidelines for publications and other printed material must be adhered to.

4.5.4 The Officer responsible for procurement shall forward the LPO to the Operations Manager for review and if satisfied will sign the document and forward it to the Executive Director.

4.5.5 The Executive Director shall review the LPO and, if satisfied, indicate approval by signing and stamping the document before forwarding it to the officer responsible for procurement. The officer shall then record the LPO in the register established for the purpose and arrange to transmit the LPO to the service provider.

4.5.6 No LPO shall be valid without the signature of the Executive Director/ Officer in Charge and the official Twaweza East Africa stamp.

4.5.7 A copy of the LPO (wherever possible the original version) shall constitute an integral and necessary supporting document for the PV in relation to effecting payment.

4.5.8 The officer responsible for procurement shall each month prepare an accurate and timely report of all new and outstanding LPOs, and the status of each, and forward it to the Executive Director.

#### **4.6 Contracts**

4.6.1 All orders/requests for delivery of services by Twaweza East Africa for which it will need to make a future payment shall normally require a signed contract. No request for services whose value exceeds USD 125 or equivalent shall be placed without a signed contract or authorized LPO.

4.6.2 Contracts shall only be awarded to persons or entities who are deemed to be capable of performing the work with quality, and choice of person awarded the contract shall be fairly and openly determined and reasons for choice documented.

4.6.3 The preparation of contracts shall normally be initiated in Salesforce by the employee whose budget will be charged for the cost of the service, provided all necessary approvals for the activity have been sought in advance. He/she shall prepare a request for contract providing all relevant information including expected outputs, timeframe and proposed costs in a form created for the purpose, and forward it via Salesforce to the Contracts Administrator.

4.6.4 The Contracts Administrator shall scrutinize the material and if satisfied prepare a contract in accordance with standard Twaweza East Africa formats, taking great care to ensure accuracy and comprehensiveness, assign it a serial contract number, and record the contract in register established for the purpose. The Executive Director shall review the contract and if satisfied sign and stamp three printed copies if an employment contract, or two printed copies for all other contracts. The Contracts Administrator shall then witness on behalf of the organization and arrange to have it signed by the contractual party and witnesses.

4.6.5 The officer responsible for contracts shall provide one original to the contractual party, file a second original in the contracts file maintained by him/her and in the case of employment contracts provide the third original to the Operations unit for the personnel file established for the staff member.

4.6.6 A copy of the signed contract (and an original of the invoice or request for payment) shall constitute an integral and necessary supporting document for the PV in relation to effecting payment.

4.6.7 The officer responsible for contracts shall prepare from Salesforce monthly an accurate report of all new and outstanding contracts, and the status of each, and forward it to the Executive Director for review.

4.6.8 All partners' contracts whose total contract value exceed USD 50,000 shall have a clause requiring contracting parties to perform annual audits. Twaweza partners will be required to share

their annual audit reports with Twaweza. These reports should be reviewed and assessed by Twaweza to confirm that appropriate controls and financial management practices exist to safeguard Twaweza's funds.

#### **4.7 Imprests**

4.7.1 Imprests (funds provided in advance) may be advanced to Twaweza East Africa employees where precise costs of implementing an upcoming Twaweza East Africa activity cannot be known (e.g. field travel, workshop). No imprest shall be awarded to a Twaweza East Africa employee who already has an outstanding imprest. To limit administration transaction costs, employees are encouraged to limit imprest requests for small amounts and instead advance payments and submit a claim for refund.

4.7.2 Imprests may only be requested towards the costs of implementing activities that are consistent with Twaweza East Africa Policies and Regulations and approved plans and budgets. Imprests may only be used in relation to activities for which the imprest was granted, and may not be used for any individual or any other benefit.

4.7.3 Imprest requests shall be prepared well in advance using the form created for the purpose by the employee requiring the advance. It shall contain a brief explanation of the activity, a breakdown of the estimated costs, reasons for taking imprest and the budget code to be charged. Once satisfied with these details and its appropriateness, the Finance Manager shall scrutinize it to ensure it is consistent with all policies and regulations and accurate. Once satisfied the Finance Manager shall forward the imprest request to the Executive Director for approval.

4.7.4 An approved imprest shall normally be paid through online bank or mobile money transfer in the name of the employee requesting the imprest, who shall be responsible for safeguarding, expending and accounting for funds received in an accurate and timely manner consistent with all applicable policies and regulations. The employee concerned shall in the course of undertaking the activity secure genuine receipts, signatures when payments are made to individuals and other documentation to demonstrate the validity of payments made.

4.7.5 Imprests shall be retired promptly (normally within five working days) upon the completion of the purpose for which the advance was granted and/or the concerned employee has returned to the office. The employee concerned shall retire the imprest in the form created for the purpose and attach supporting documents in a clear, accurate and organized fashion. The Finance Manager shall scrutinize the retirement and if satisfied forward to the Executive Director for approval.

4.7.6 In cases where approved actual costs exceed the imprest amount Twaweza East Africa shall promptly reimburse the difference to the concerned employee. In cases where approved actual costs are less than the imprest amount the employee shall promptly reimburse the difference to Twaweza East Africa. The Finance Manager will issue an official receipt for the amount received, which shall be banked intact by the relevant Accountant.

4.7.7 The relevant Accountant shall maintain accurate and updated records on imprests at all times. Each imprest shall be assigned a unique serial number and recorded in a register established for the purpose. The Accountant shall also produce an accurate imprest report each month that shall note all outstanding, new and resolved imprests that occurred that month and forward it to the Executive Director for approval.

4.7.8 PVs for issuance of imprests shall contain the appropriate budget code but be assigned a special imprest budget code (holding code) until it is retired. Upon retirement of imprest the Accountant shall be responsible for ensuring it is charged to the appropriate budget code.

## 4.8 Credit cards

4.8.1 Credit cards will be issued to Executive Director and other Directors/ members of the senior management team.

4.8.2 Credit cards will be issued to designated employees after signing a credit card application form. Both the employee and his/her manager must sign the agreements and return them to Manager responsible for Operations.

4.8.3 Organizational credit cards are to be used to achieve organizational objectives only. Personal charges of any kind are not allowed on the organization's credit card. In the event any personal charges are made on the Organization credit card, the employee will be required to reimburse the Organization or having funds withheld from compensation/reimbursement. Any reimbursement to the Organization must be made in U.S. dollars. Reimbursement to the Organization must be made in a timely manner. Continued violation of the policy will result in appropriate disciplinary and/or legal action up to and including termination of employment.

4.8.4 Credit card holders should ensure that the credit card is kept in a secure place at all times.

4.8.5 For payments which can be foreseen e.g. subscriptions, use of credit cards should be initiated only after normal payment authorization procedures have been completed using a requisition form designed for credit card payments. Reasons for not seeking pre-approval should be clearly explained during credit card retirement.

4.8.6 If the card is lost or stolen, the cardholder must immediately contact the issuing bank and Operations Manager who will immediately initiate the card cancellation process.

4.8.7 Credit card holders are supposed to submit expense reports by the 5<sup>th</sup> day of every month. Replenishment should be done monthly after the reconciliation has been done.

4.8.8 In the event of fraudulent/suspicious transactions appearing on the credit card account, the cardholder must immediately notify the Operations Manager who will then work with the issuing bank to dispute the transaction.

4.8.9 For employees who submit their resignation, their supervisors must immediately retrieve their organizational credit card and submit them to the Operations Manager for immediate deactivation. The Operations Manager must immediately notify the Director for Program and Services and the employee's supervisor that the cards have been returned for deactivation.

4.8.10 The Finance Manager or an appointed designee will immediately review the accounting records to determine if any outstanding expense reports are pending and notify the resigning employee's manager of their findings.

4.8.11 The resigning employee must address any and all open/unresolved issues prior to his/her departure. Should any open/unresolved issues remain after the resigning employee's departure; the Finance Manager will provide a detailed summary to the employee's supervisor or Human Resources for resolution.

## 5. PROCUREMENT

### **Purpose**

The purpose of this policy is enable Twaweza East Africa to procure quality goods and services at the least expensive price, in a manner that is efficient, transparent, accountable and consistent with best business practices. This policy articulates the guiding principles, roles, authority levels and main procedures to be used in procurement processes at Twaweza East Africa.

### **5.1 Guiding Principles**

All procurement at Twaweza East Africa shall be guided by the following key principles:

**5.1.1 Cost effectiveness:** Twaweza East Africa shall obtain quality and reliable goods and services at the least expensive (best) price. Competitive and independent quotes shall be solicited when more than one service provider is available, and offers and tenders shall be reviewed objectively and impartially.

**5.1.2 Transparency and documentation:** Criteria used by Twaweza East Africa shall always be transparent. Price comparison forms shall be used to ensure that Twaweza East Africa obtains competitive prices in the most transparent way. All documentation related to procurement shall be kept in secure files. Relevant documentation includes: quotes, invitation to tender, tenders, the tender evaluation record and the final decision, as well as the payment voucher (PV) and all supporting documents. Documents shall be kept securely for a period of seven (7) years.

**5.1.3 Non-discrimination:** Twaweza East Africa is an equal opportunity organization, and shall not discriminate against service provider on the basis of race, ethnicity, age, sex, sexual orientation, marital status, origin, disability, creed, political belief, religion or HIV status in procuring any product or service. Procurement from any service provider who is related to a Twaweza East Africa employee or director should generally be avoided and in all cases fully disclosed, and the employee concerned shall absent him/herself in the procurement decision process.

**5.1.4 Zero Tolerance for Corruption:** Twaweza East Africa shall exercise zero tolerance for corruption in all matters, including procurement. No Twaweza East Africa employee or director may benefit or seek to benefit in any way whatsoever from any procurement. Any Twaweza East Africa employee or director who is offered any inducement, payment, gift or other reward to influence the procurement process, or is aware of another employee being involved in the same, must report the matter immediately to the Executive Director (or the Board of Directors where it involves the Executive Director).

**5.1.5 Accountability:** All persons involved in the procurement process, shall seek to ensure that both the letter and spirit of the procurement policy is adhered to. The officer responsible for procurement shall exercise prime responsibility in ensuring that procurement is consistent with these principles and Regulations. In addition, the Finance Manager shall exercise due scrutiny to ensure procurement is consistent with Twaweza East Africa Policies and Regulations before an order is placed and/or payment is made. All procurement decisions and documentation shall be subject to scrutiny during both internal and external auditing processes.

5.1.6 *Credibility*: Twaweza East Africa shall only procure its requirements from eligible and credible service providers, contractors, consultants, and service providers. Additionally, wherever practicable shall apply competitive processes for securing quotes, ensuring fair treatment to all service providers during the entire process.

## **5.2 Procurement authority levels**

5.2.1 *Recurring purchases*: Regular major purchases include (but not limited to) stationery, printing, and travel services. Twaweza East Africa shall solicit bids from at least three but ideally five service providers once each year. The officer responsible for procurement shall analyse the bids and recommend the best service providers for approval by the Executive Director. The selected service provider shall normally be used for all relevant purchases for a specified period not exceeding 12 months. Twaweza East Africa may purchase goods and services from a different service provider where this can secure comparable quality and reliability at better rates.

5.2.2 *Purchases under USD 3,000*: Competitive quotes will be secured where practicable, but shall not be required unless the purchase shall be recurring.

5.2.3 *Purchases over USD 3,000*: Twaweza East Africa shall seek independent quotations from no less than 3 independent service providers. The Manager responsible for Operations shall systematically analyse the bids on a special form provided for this purpose, and make a recommendation in relation to quality and reliability for the best price. The Executive Director shall approve.

5.2.4 *Large purchases*: All large purchases exceeding USD 75,000 shall require a tender, which may or may not be advertised in the newspapers, but shall be advertised on Twaweza's website. However, bids must be sought from at least 5 service providers

5.2.5 Twaweza East Africa shall not further split its procurement requirements to defeat the use of approved procurement methods and expenditure thresholds.

## **5.3 Tenders**

5.3.1 Tender documents shall contain all relevant information such as technical specifications, terms of reference, and commercial conditions. Such conditions shall include the time frame for the provision of the goods/services. Tenders shall be required to be submitted in sealed envelopes, which may only be opened at the time the evaluation is performed to ensure that all tendering companies have equal footing in the process.

5.3.2 All tenders shall be submitted to [tender@twaweza.org](mailto:tender@twaweza.org) by the closing date and time indicated on the tender document.

5.3.3 Tenders shall only be assessed on the Terms and Conditions specified in the invitation to tender by a team of not fewer than five people: The Finance Manager, Operations Manager, Manager of the activity, Procurement Officer, and one Director. The recommendations shall be documented and forwarded to the Executive Director for endorsement.

## **5.4 Internal Controls and Risk Management**

5.4.1 All necessary measures will be taken to ensure that to the greatest extent possible, internal control mechanisms and risk management measures will be put into place to safeguard Twaweza East Africa's resources.

5.4.2 Where the Executive Director delegates authority for approval, all Twaweza East Africa staff shall ensure segregation of duties between different functions to ensure checks and balances.

## 6. PAYROLL

### **Purpose**

The purpose of this regulation is to establish basic guidelines for the effective management of the Twaweza East Africa payroll. These regulations shall be read in conjunction with the Twaweza East Africa HR Manual (Policies) regarding salaries and benefits.

### **6.1 Payroll authorization**

6.1.1 Only long term contract employees with valid contracts who are working or on authorized absence shall be placed and appear on the Twaweza East Africa payroll.

6.1.2 The payroll shall contain and be consistent with the provisions for salaries and benefits stipulated in the Policies and signed contracts, and authorized amendments of these.

6.1.3 The Operations Manager shall be responsible for maintaining, updating and preparing the payroll each month, and for ensuring its accuracy and integrity.

6.1.4 The Manager responsible for Operations shall ensure that the payroll is calculated and processed using software that is professional and specialized for this purpose.

6.1.5 The Manager responsible for Operations may only make any additions or deletions of names, changes in the level of salaries or benefits or any other substantive change where this is supported by written documentation and is authorized in writing by the Executive Director. The Manager responsible for Operations shall clearly explain in writing all such changes and any other anomalies in relation to previous month's payroll (i.e. reconciliation statement).

6.1.6 All monthly payrolls including all changes, anomalies and differences shall be approved and signed by the Executive Director.

### **6.2 Payroll features**

6.2.1 The Twaweza East Africa payroll shall contain the following information name of employee, position, salary grade/level, basic salary, pension payments, tax rates and calculations, and net pay. In addition, the payroll shall make provision for showing all deductions made.

6.2.2 The payroll shall be directly linked to the generation of pay slips which shall provide all basic information noted above. Each staff member on the payroll will receive an electronic pay slip by the last day of each month.

6.2.4 Payroll information shall be made available to the Executive Director, the Manager responsible for Operations, Manager responsible for Finance, and Twaweza East Africa's appointed auditors, the Twaweza East Africa Board and relevant statutory bodies, but otherwise shall remain confidential.

### **6.3 Payroll processing**

6.3.1 Payment shall normally be processed by the 25<sup>th</sup> day of each month, or the prior working day if

the 25<sup>th</sup> is a public holiday and weekend, in order to enable employees to have access to salaries by the last day of the month. The Executive Director may authorize payment in December to be made earlier so as to enable employees to receive payment prior to commencing the holiday season.

6.3.2 Salary advances and loans from Twaweza East Africa shall not be permitted.

6.3.3 All officers involved in the payroll process shall strive to fulfill their functions in a timely manner so as to ensure payment can be made in a timely manner. The Manager responsible for Operations shall normally submit the payroll to the Executive Director for approval at least 3 working days prior to the date of payment.

6.3.4 Payments shall normally be made by electronic transfer into the private bank accounts of each employee in Tanzania and a printed salary slip shall be produced each month for every employee's signature. Twaweza East Africa shall normally be responsible for transfer charges if any to staff bank accounts maintained with Twaweza East Africa's bankers. The relevant Accountant shall where necessary seek concessionary terms from relevant bank(s) involved so as to minimize transfer costs. In exceptional circumstances where an employee does not yet have a local bank account Twaweza East Africa may for a temporary period provide payment by open cheque.

6.3.5 The Manager responsible for Operations shall ensure that all necessary monthly statutory payments are prepared and effected in an accurate and timely manner. These shall include income tax (PAYE) and pension payments, ensuring compliance according to individual country.

6.3.6 The Manager responsible for Operations shall prepare accurate legal annual report requirements (such as consolidated tax reports P9 and P11) and arrange to transmit them in a timely manner, as well as consolidated annual reports for all other payroll aspects.

6.3.7 The Manager responsible for Operations shall ensure that the benefits and liabilities that apply to any employee whose contract has ended or is about to end shall be calculated in good time. All benefits due to an employee who is leaving shall only be paid upon satisfactorily completing all exit requirements, as details in the HR Manual.

#### **6.4 Loans**

6.4.1 Twaweza East Africa would like to support staff to secure personal loans from financial institutions, however its first obligation is to protect the organization. Twaweza East Africa will not guarantee employees or assume liability on behalf of employees, nor will it agree to deduct any money from employees on behalf of financial institutions.

6.4.2 Twaweza East Africa will not disclose any personal or confidential information on behalf of staff, however it can disclose, upon the written request of the employee, basic information from their own employment contract.

6.4.3 Where unavoidable, and understanding that written commitment to the bank is a contractual obligation, Twaweza East Africa will treat all commitments made to any financial institution on behalf of employees as a contract, and must be registered in the same manner as all other contracts. This is only if the commitment does not jeopardize or put at the risk the organization or any of its staff.

6.4.4 Twaweza East Africa will not be held liable in the event an employee defaults on their loan repayments, or leaves the organization, or changes which account to channel their salary through.

#### **6.5 Consultancy payments**

6.5.1 Payment for consultants and other short term employees of Twaweza East Africa shall be commensurate with the terms of their contract. The consultant shall initiate the process in

accordance with the terms of the contract, and submit an invoice/request for payment preferably with copy of contract, and forwarding it to his/her Supervisor. The Supervisor shall scrutinize the request and if satisfied prepare a PV with supporting documents.

6.5.2 Payment to casual laborers shall be in accordance to daily or hourly rates as set by the Executive Director in consultation with the Operations Manager. These payments shall usually be made using petty cash.

6.5.3 In effecting all payments the Finance Manager shall ensure that all statutory requirements related to taxation and other relevant matters are fully complied with.

## 7. ASSET MANAGEMENT

### Purpose

Assets obtained by Twaweza East Africa be properly recorded, coded, allocated and managed in the interest of efficiency and accountability. This Policy outlines the basic guidelines for effective management of assets at Twaweza East Africa. An asset is defined as equipment, vehicle, furniture, building or any other item appearing in the Twaweza East Africa asset register.

### 7.1 Management

7.1.1 The Manager responsible for Operations shall be overall responsible for the management of assets at Twaweza East Africa. The guidelines stipulated herein shall be strictly observed and accurate records shall be maintained at all times. Failure to manage assets as required by this policy may constitute grounds for disciplinary action against employees responsible.

7.1.2 Normally items valued under USD 125 (such as calculators, cell phones, standing fans) need not be treated as an asset and affixed a formal asset code, but shall be kept track of through other means.

### 7.2 Receipts and issues

All assets received shall be entered into the assets register without delay by Manager responsible for Operations in and be assigned a unique asset number. Only then shall the asset be assigned to an employee who shall sign for it and an appropriate entry shall be made into the room asset list. No asset may be transferred outside its designated location or among employees without the express permission of the Executive Director or persons delegated by him/her. Any permanent or long term transfer shall require an adjustment to the asset register and room list.

### 7.3 Records

7.3.1 Accurate records of assets shall be maintained at Twaweza East Africa at all times. The Asset register shall be maintained by the Operations Manager and scrutinized by the Finance Manager to ensure full consistency with Finance records.

7.3.2 The asset register shall be updated periodically as new equipment is acquired and old ones disposed of. Equipment moved to new locations must be updated in the register unless it is being relocated on a temporary basis (less than ten working days). Information regarding the allocation and movement of all assets shall be maintained by the Operations Manager.

7.3.3 Records shall include key information such as asset type, serial number, brand name, asset number, quantities, date and price of purchase, location and employee responsible. The room list shall list all assets in the respective office room and it shall be signed by the employee primarily responsible for their safety and good use. The room list shall be produced in duplicate, signed and posted on the back door of the room, and maintained by the Operations Manager in the Assets file.

### 7.4 Asset codes

All assets shall have a unique asset code that shall be noted in the asset register and room lists, as well as on a durable label that shall be affixed to each asset. The Manager responsible for Operations shall periodically verify that all assets are properly labelled and located.

### **7.5 Care and repair of assets**

7.5.1 All employees who are assigned assets shall take all reasonable measures to ensure responsible use, good care and safety; and do nothing that would damage the asset or invalidate its warranty.

Assets are meant to be used for the work of Twaweza East Africa and may not be put to any unauthorized private use or provided to any other party without proper authorization.

7.5.2 Movements of assets for repairs shall be recorded. The Manager responsible for Operations shall make every effort to expedite repairs and wherever possible make alternate arrangements to enable the employee to continue work. Wherever possible, full use shall be made of warranty provisions.

### **7.6 Loss or damage of assets**

7.6.1 In case of loss, damage or theft, the employee who is responsible for it or has knowledge of it shall immediately write a clear, accurate and comprehensive statement regarding the incident and forward it without delay to the Executive Director.

7.6.2 In case of wilful loss, wilful damage or theft, the Executive Director having examined the situation and consulted with the Manager responsible for Operations and being satisfied that a report to the police or other authorities is warranted, shall proceed to arrange to do so. An employee who admits to theft or causing wilful loss or wilful damage, or is convicted in a court of law of it, shall have their contract terminated. In such cases the employee concerned shall be liable for 100% of the cost of replacement, even where the cost may be wholly or partially recoverable by other means, unless the Court determines otherwise.

7.6.3 In case of damage or loss the Executive Director, with the assistance of the Manager responsible for Operations, shall seek to establish the circumstances that led to the damage or loss. Where the circumstances are unclear, the employee concerned shall generally be accorded the benefit of doubt.

7.6.4 Where the Executive Director, after consultation with the management team or relevant managers as the case may be, determines that the loss or damage of the asset is due to negligence, improper use, or any use that violates the Policies or Regulations the employee concerned may be held liable for reimbursing the full cost of replacing or repairing the asset(s) concerned.

7.6.5 The employee facing disciplinary action shall have the right to appeal in accordance with the provisions for appeal in the Policies.

### **7.7 Reports**

The Manager responsible for Operations shall normally produce asset status reports on or before the tenth day of each new quarter covering the previous months. Reports shall include information on receipts, issues, repairs, movements and function status of assets, analysis of the data, and explanations of any major issues or discrepancies.

### **7.8 Insurance of assets**

7.8.1 All major Twaweza East Africa buildings, equipment and vehicles shall be insured against fire, theft, loss and damage. The Manager responsible for Operations shall promptly and no later than two weeks from date of delivery arrange for newly acquired assets to be insured, ensure that coverage for existing assets is kept current, and any claims pending are followed up on a regular basis.

Procurement of insurance services may be undertaken directly or through a broker, provided that

procurement guidelines stipulated herein are followed.

7.8.2 In case of damage or loss covered by insurance the Manager responsible for Operations shall immediately prepare a report on the incident and forward it to the Executive Director with recommended actions. The Executive Director if satisfied with the report shall in consultation with the Manager responsible for Operations arrange to lodge a claim with the insurance provider, unless

he/she determines that the costs of doing so (such as insurance deductibles, loss of no claim discounts, and transaction costs) outweigh the potential benefits, and in such cases shall decline to lodge a claim and document the reasons for doing so.

### **7.9 Asset stock checks**

7.9.1 Assets at Twaweza East Africa shall be subject to both routine and unannounced spot checks as follows:

- The Manager responsible for Operations shall examine assets to ensure good organization and consistency between movements, records and holdings from time to time.
- The Finance Manager shall undertake a systematic spot check around the last day of each quarter for each of the first three quarters of the calendar year.
- The Executive Director shall assign any other suitable employee and/or external consultant to undertake a comprehensive annual asset check as well as spot checks from time to time.

7.9.2 All asset comprehensive and spot checks and their findings shall be carefully recorded and communicated to the Executive Director.

### **7.10 Keys**

7.10.1 All Twaweza East Africa keys, including acquisition, transfers and allocation, must be recorded in a special register established for the purpose. One set of spare keys shall be organized and maintained in a secure location by an officer designated by the Executive Director. Spare keys to be deemed of especially sensitive nature shall be maintained by the Executive Director.

7.10.2 The Executive Director shall determine and authorize allocation of keys. No keys may be copied or allocated without the permission of the Executive Director. Keys shall remain the property of Twaweza East Africa and employees must return them when requested and at the end of employment.

7.10.3 In case of loss each employee must report the matter immediately to the Executive Director and the Manager responsible for Operations. The employee shall be held liable for the cost of changing locks and duplicating all keys needed, unless the Executive Director determines the circumstances of the loss of keys do not warrant such liability on the part of the employee.

### **7.11 Disposal of assets**

7.11.1 Disposal of Twaweza East Africa all assets shall be done in a manner consistent with the provisions in the Memorandum and Articles of Association of the Organization.

7.11.2 The Executive Director shall base decisions to dispose of obsolete assets on any or a combination of the following factors:

- If the asset is no longer required due to changed procedures, functions, or usage patterns;
- If the asset is occupying storage space and will not be needed in the foreseeable future;
- If the asset has reached its optimum selling time to maximise returns;
- If the asset is no longer complying with occupational health and safety standards;
- If the asset is found to contain hazardous materials harmful to the environment;
- If the asset is technically beyond repair but able to be sold for scrap;
- If the asset is confirmed to be obsolete and/or no longer of value to the organization.

7.11.3 Assets may not be disposed, sold or given to any Twaweza East Africa member, director, employee, volunteer or intern, or his/her relatives.

7.11.4 The Executive Director in consultation with the Manager responsible for Operations may provide assets that are no longer needed by Twaweza East Africa of a value of USD 3,000 or less to other non-profit organizations free of charge, provided such transfers are fully documented.

7.11.5 Any decisions to dispose of assets and the reasons for taking them shall be clearly documented alongside the asset register, and must be duly authorized by the Executive Director. That the asset has been disposed of must be clearly indicated in the asset register to ensure a clear audit trail.

7.11.6 All disposal of assets, whether by sale or free of charge, shall be on an “*as is – where is*” basis. Twaweza East Africa shall not make any representations or issue warranty, not even implied, as to the fitness for purpose, saleability, or any other condition or quality of the asset to any buyer other than as expressed in the notice to dispose the asset. Asset buyers shall be responsible for any tax liabilities due for any assets that attract such taxes.

## 8. STORES MANAGEMENT

### Purpose

Goods and equipments received and distributed shall be properly recorded, stored, organized and managed in the interest of efficiency and accountability. This Policy outlines the basic guidelines for effective management of stores at Twaweza East Africa.

### 8.1 Management

The Manager responsible for Operations shall be overall responsible for the management of stores at Twaweza East Africa. The guidelines stipulated herein shall be strictly observed and accurate records shall be maintained at all times. Failure to manage stores as required by this policy may constitute grounds for disciplinary action against employee(s) concerned.

### 8.2 Issues

An employee requiring materials shall state his/her request on a designated 'stores requisition form'. No item may be issued from stores without a duly authorized requisition form. Requisitions of items worth up to USD 232 (or its equivalent in Kenya and Uganda) may be authorized by the respective Line Manager. Requisitions of items exceeding USD 232 (or its equivalent in Kenya and Uganda) shall in addition require prior authorization by the Executive Director.

### 8.3 Receipts

All items received, including publications, unless used immediately and not normally maintained in stores shall be recorded by the employee responsible at the time of receipt on a form created for the purpose. All items shall be properly stored in an organized and neat fashion at all times, and all appropriate measures shall be taken to minimize theft, loss or damage, particularly for items that are not stored under locked premises.

### 8.4 Restocking

The Manager responsible for Operations shall establish minimum quantities that shall be held in Twaweza East Africa stores so as to ensure smooth operations. He/she shall be responsible for procuring/ restocking items in a systematic and efficient manner and in good time before stocks are exhausted.

### 8.5 Records

The Manager responsible for Operations shall ensure accurate and timely records are maintained for all movements regarding stores. These shall include but not be limited to: receipts, requisition forms, issues, and stocks. A stores ledger shall be maintained and all transactions shall be accurately recorded in the ledger no later than one week after the transaction was undertaken. The Manager responsible for Operations shall be responsible for ensuring the safety of all records at all times.

### 8.6 Reports

The Store keeper shall normally produce reports on or before the tenth day of each month covering the previous month. Reports shall include starting stocks, receipts, issues and ending balances, analysis of the data, and explanations of any major issues or discrepancies. The Manager responsible for Operations shall also produce quarterly reports containing the same information as in monthly reports, and include a comparison of numbers in records as compared to actual stocks.

### 8.7 Stock checks

8.7.1 Stores at Twaweza East Africa shall be subject to both routine and unannounced stock checks as follows:

- The Manager responsible for Operations shall regularly examine stores to ensure good organization and consistency between movements, records and stocks from time to time.

- The Manager responsible for Operations shall in addition undertake a comprehensive and systematic stock check around the last day of each quarter and conduct spot checks at any other time;
- The Executive Director may assign any officer or external consultant to undertake an independent verification/spot check of the physical stores and store records at any time.

8.7.2 All quarterly, annual and other stock checks and their findings shall be accurately recorded and communicated to the Executive Director.

8.7.3 The stores shall be subject to annual audit by the external auditors of Twaweza East Africa

## 9. VEHICLES

### **Purpose**

Twaweza East Africa owns vehicles to facilitate the work of the organization. This Policy outlines the entitlements, rules and regulations for the effective use and management of vehicles and transport at Twaweza East Africa.

### **9.1 Entitlement**

9.1.1 Twaweza East Africa vehicles are to be used for the work of the Organization. Only employees designated as official drivers or otherwise authorized by the Executive Director may drive Twaweza East Africa vehicles.

9.1.2 All persons driving Twaweza East Africa vehicles must be licensed to operate vehicles in the respective countries.

9.1.3 All employees other than the Executive Director shall request vehicle use to the Manager responsible for Operations or officer delegated by him/her in the form designated for the purpose. Employees shall lodge requests as far in advance as possible. The Manager responsible for Operations shall determine the allocation of vehicles.

9.1.4 Where a vehicle is not available for work, the employee may use a taxi and seek reimbursement at the established country official fare rates. The rates shall be shared by Finance Manager. In case the staff/consultant did not get relevant receipt, the amount shall still be paid but must be equivalent to the established rates by the respective Government entity.

9.1.5 In exceptional circumstances the Executive Director may authorize an employee to use the office vehicle for personal use where this does not interfere with the functioning of the Organization. In such cases where personal use exceeds 10 km in any one month the employee shall reimburse costs for personal use at established rates.

### **9.2 Logbooks and records**

9.2.1 Drivers/users of Twaweza East Africa vehicles shall promptly, accurately and thoroughly record vehicle use in logbooks designated for the purpose. Information recorded shall include date, start/end mileage, start/end location, purpose (giving key details where official) or otherwise marked personal). Information about refuelling, services, maintenance, repairs, accidents and any other major happenstance shall also be recorded. An employee who fails to provide consistent, clear or adequate information as required shall be liable to pay for applicable mileage at the established rates.

9.2.2 The Manager responsible for Operations shall arrange to scrutinize, compile and analyse logbooks and other records to prepare monthly analytical reports.

### **9.3 Laws and regulations**

9.3.1 All drivers of Twaweza East Africa vehicles shall drive cautiously and put safety first at all times. All users shall be responsible for observing all applicable rules and regulations in the Policies, Regulations and traffic laws, including the use of safety belts at all times. No employee may use a vehicle in any manner that may invalidate its insurance coverage.

9.3.2 Non-staff given lifts in Twaweza East Africa vehicles are doing so at their own risk as the Organization shall not be liable for whatsoever claim if accident occurs except to the extent of insurance coverage, if any.

9.3.3 The Manager responsible for Operations shall ensure that a copy of the Vehicle Policy is kept in

all vehicles owned by Twaweza East Africa. It is the responsibility of the driver to ensure that non-staff who are given lifts are shown a copy of the policy, and that they are in agreement prior to departure.

9.3.4 Failure to abide by traffic laws, Regulations or Policies by any employee may lead to suspension of privileges and/or disciplinary action.

#### **9.4 Accident and loss**

9.4.1 All accidents however minor or loss of any items from vehicles shall be reported immediately to the Manager responsible for Operations. Accidents shall also be reported to the authorities where required by law.

9.4.2 Any employee who has caused an accident through wilful neglect or flagrant violation of regulations may be held liable for resulting damages.

9.4.3 An employee or associate who suffers injury or death through accidents shall be limited to and in accordance to the Group Personal Accident insurance coverage (as provided for in the Policies) plus any vehicle insurance that may be in force and applicable.

#### **9.5 Maintenance and repair**

9.5.1 The Manager responsible for Operations shall ensure that vehicles are serviced on a regular basis as per manufacturer recommendations, and maintain good records for it. The Manager responsible for Operations shall also arrange to have the vehicles cleaned and checked on a regular basis.

9.5.2 The Manager responsible for Operations shall arrange to have vehicles refuelled once a month in a timely fashion by a service provider identified through the procurement requirements.

9.5.3 Any malfunction or problem with any vehicle that cannot be solved by the employee shall be immediately reported to the Manager responsible for Operations, who shall be responsible for arranging for appropriate repairs.

## 10. DAILY SUBSISTENCE ALLOWANCES (DSA)

### **Purpose**

The purpose of this regulation is to establish the conditions under which employees (and affiliates) shall be eligible to receive DSA payments and provide for the levels and terms of these benefits.

### **10.1 Eligibility and coverage**

10.1.1 The Executive Director shall with the consent of the Board establish rates for DSA for different types of location for employees who are travelling on duty and are required to spend the night out of their normal station (i.e. night outside the city/town of work residence).

10.1.2 Twaweza East Africa DSA rates shall be the same for all employees regardless of position or status. The same DSA rates shall generally apply for non-employee affiliates (such as Board Directors, members, partner staff and national consultants).

10.1.3 The DSA shall cover the cost of accommodation, meals, local transport between hotel and office/main work station, communication, laundry and all incidentals. The costs of transport between towns, between airports and hotels, and between different locations for meetings; costs of doing fieldwork and other expenses directly necessary for undertaking officially assigned duties shall be additional to the DSA and shall be reimbursed against bona fide receipts.

10.1.4 In cases where actual costs incurred are below DSA provided the employee shall retain the difference. In cases where actual costs incurred are higher than DSA provided, the employee shall be responsible for the difference. In exceptional circumstances of the latter case the employee concerned may petition the Executive Director (and where possible in advance of commencing the journey) to pay the difference where it can be demonstrated that actual costs were higher than provided and there were no other reasonable alternatives available, and where such expense is fully documented and supported by original receipts/proof of payment. In such cases the Executive Director shall consult with the Manager responsible for Operations and make a final determination and document the reasons for such a decision.

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

10.1.6 To the maximum extent practicable, bookings shall be made in advance.

10.1.7 Both the Organization and employees shall at all times seek to minimize costs and obtain value for money in relation to work travel and accommodation. The Administrator/Manager responsible for Operations shall seek to establish special agreements for discounted rates with appropriate hotels in frequently visited locations, and in such cases employees shall normally stay at these hotels or other places of their choice at equal or lower cost.

10.1.8 In no case may an employee receive compensation for accommodation, meals, transport or any other cost that has been covered by another entity or through other means (i.e. no double compensation may be accepted).

### **10.2 Rates**

10.2.1 DSA rates shall be based on estimates of actual costs of staying at a reasonable, clean and safe hotel and obtaining meals, and not treated as an avenue for enhancing employee incomes. Rates shall apply on the basis of night spent out of station.

10.2.2 DSA and other allowance rates shall be reviewed about once a year in the context of market conditions and determined by the Executive Director. The decision of the Executive Director and the basis for it shall be subject to consent by the Board.

10.2.3 Rates established shall normally take effect in January and be valid for one year; however where circumstances demand the Executive Director reserves the right to adjust the rates at any other time. To address fluctuations in local currency exchange rates, the Executive Director shall determine the rates for National Travel in local currencies at the beginning of each quarter.

10.2.4 The applicable tiers and rates for each year shall be provided in a separate annex as approved by the Head.

The applicable tiers and rates for 2015

CATEGORY	HOTEL	MEALS/DRINKS	OTHER
<b>International travel</b> (outside 5 East African countries) and capital cities of East Africa countries other than own resident country	Reasonable clean, safe hotel room incl. internet (up to 3/4 star), based on reimbursement of actual costs against bona fide receipts	Flat coverage of \$10 for breakfast (unless provided by hotel) and \$15 for lunch and \$25 for dinner	Flat \$15/day for communication, laundry, and other incidentals
<b>Regional travel</b> in East Africa outside employee resident country (other than capital cities covered above)	Clean, safe hotel room incl. internet, based on reimbursement of actual costs against bona fide receipts	Flat coverage of \$8 for breakfast (unless provided by hotel) and \$15 each for lunch and dinner	Flat \$10/day for communication, laundry and other incidentals
<b>National travel</b> in officially designated cities and municipalities (e.g. Moshi, Mwanza, Mbeya)	Flat per night USD 55.  Where lunch/dinner covered but hotel is not, Flat USD 40 per night	Included in base/hotel DSA  Where hotel covered but meals are not flat USD 5 for breakfast, and USD 10 each for lunch and dinner	Flat USD 6/day for communication, laundry and other incidentals
<b>National travel</b> everywhere else (e.g. Sumbawanga, Nansio, Mugumu, Lushoto) and villages	Flat per night USD 42  Where lunch/dinner covered but hotel is not, flat USD 30 per night	Included in base/hotel DSA  Where hotel covered but meals are not flat USD 3 for breakfast, and USD 6 each for lunch and dinner	Flat USD 6/day for communication, laundry and other incidentals

10.2.5 In the event where bus transport receipts cannot be obtained, then indicative bus fare rates given by Country Transport regulator shall be used. In the event where the indicative bus rates are not available then the country accountant will work to establish various route rates and have the rates reviewed by Finance Manager before being approved by the Director of Programs and Services

## 11. Journal Vouchers (JV)

### 11.1 Purpose

11.1.1 Journal Vouchers (JVs) is used to record transactions which are not processed through the payment workflow (e.g. bank charges, imprest retirement, depreciation, allocation of expenses into various budget codes, correction of errors in posting, transferring of transaction from one budget code to another, write off of asset, recording of exchange gain/ loss etc.). To ensure that JVs are processed accurately in a timely and efficient manner, the following must be adhered to.

### 11.2 Currency

11.2.1 All JVs (other than JV used to post bank charges or to adjust transactions in bank accounts maintained in local currency) can only be entered using the United States dollar currency.

### 11.3 Approval

11.3 AJV must be approved by the Executive Director or Director responsible for Programs and Services.

### 11.4 Supporting documentation

11.4.1 A JV must be supported by any or combination of the following documents. The documentation must provide enough details to satisfy any third party that was not involved in the preparation.

- Invoice, contract of LPO as appropriate
- Payroll report per cost centre as generated by the payroll system (for allocating salaries between various budget codes)
- email or memo authoring the JV to be prepared
- calculation of correction, adjustment or redistribution of expense
- print out of general ledger
- cost sharing agreement
- copy of the original transaction being corrected or adjusted, payment voucher, imprest request/ retirement or JV being corrected or adjusted
- a note indicating where the appropriate supporting documentation can be found if applicable
- Others when appropriate.

### 11.5 Description

11.5.1 An explanation is required to ensure that any questions arising regarding a JV can be answered by reviewing the transaction description and additional notes. Proper documentation is mandatory to ensure that an individual who was not part of the process may review the documentation and understand the rationale behind recording of that transaction.

# Annex I – Payment Voucher (PV) details and how to prepare a good PV

Twaweza is committed to being open, transparent and accountable. For payments that means we must disclose full information in a manner that is clear, complete and speaks for itself i.e. even if none of us are around, everyone would get to know the full information they need from the documentation.

Payment Vouchers (PVs) are the key document to contain that information. The PV page itself should contain all key information a decision-maker needs. The notes below provide a guide on how it should be prepared well.

## 1. Paid To/Address.

Payee's full name and address; with post office box number, city, country and email address. If it is an individual also include their telephone number. The information given should be sufficient to be able to find the entity.

## 2. Payment Date

Actual date of first initiating the payment voucher (not of making the payment). For payment vouchers initiated in salesforce the payment date will be generated automatically.

## 3. Mode of Payment

We are committed to being cashless and cheque-less as much as possible. This means that generally we will only pay by electronic bank transfer. For people who do not have bank accounts we pay using mobile money payment methods. *Only in exceptional circumstances will we pay small amounts through open cheque or petty cash. If possible even small payments of USD 20 should be paid into an account instead of via petty cash.*

Notation of request of mode of how payment should be made. The options are:

- By bank transfer (the norm/default). This is the last check box
- By MPesa or other mobile money provider
- By Open Cheque (written in name of person, but 'opened') rare exception
- By petty cash (for up to USD 125)

## 4. Description/Purpose

We need a *detailed* explanation of the nature of expenditure, and its purpose and key aspects. Quantities and unit prices shall normally be noted here, if not possible to capture all the details in the PV, a separate sheet(s) can be used to capture details and be attached to the PV.

## 5. Supporting Documents

Further documentation that provides relevant information about the relevance, purpose and particulars of the expenditure, as well as its legitimacy. The most important document is a 'tax invoice' or 'claim for payment'—without this no payment should be processed. Other supporting documentation include decision memos, copies of signed contracts, LPOs, delivery notes, and any other documentation that shall help explain and justify expenditure.

Additionally, it is really important to add, on a separate sheet, evidence of satisfactory quality and quantity of work done, signed by the manager/budget holder. For payments done in salesforce the output analysis forms are generated automatically for contracts and LPO. The PV initiator needs to ensure that the related output analysis form has been correctly filed on the actual outputs delivered

as well as recommendation of amount to be paid. Except for the very simple payments—the Manager needs to demonstrate that s/he has carefully verified that the goods/services supplied are up to the standards/quality required, as well as of the required quantity and timeliness. The simplest way to do this is to copy paste the ‘requirements’ from the contract or LPO on the left hand side and on the right hand side show what was actually delivered.

Documents to be attached/linked to the PV are to be listed in the ‘Supporting docs attached’ of the PV, including unique (invoice, Decision Memo, etc.) numbers so that they can be identified. The supporting documents should be filed in clear order – and allow easy comparison and verification between figures on PV and supporting documentation. Where there are many pages, use a highlighter to *circle* the key info.

#### **6. Amount**

The amount to be paid should be stated clearly in both numbers (with amounts for specific items listed separately) and words. Be very careful to state whether the currency is USD/TZS/KES/UGX.

#### **7. Budget Description and Code**

First, check in Xero that we have sufficient funds. The budget description and code to which the expenditure is to be charged. Please be accurate and use the official format. Wherever appropriate charge a program code. If it is an imprest enter the IMPREST BUDGET CODE.

#### **8. Payment Voucher Authorization Process**

Signature and date in the box provided of the officers responsible to indicate that they have fulfilled their responsibilities in relation to the PV and are satisfied that the payment should be made.

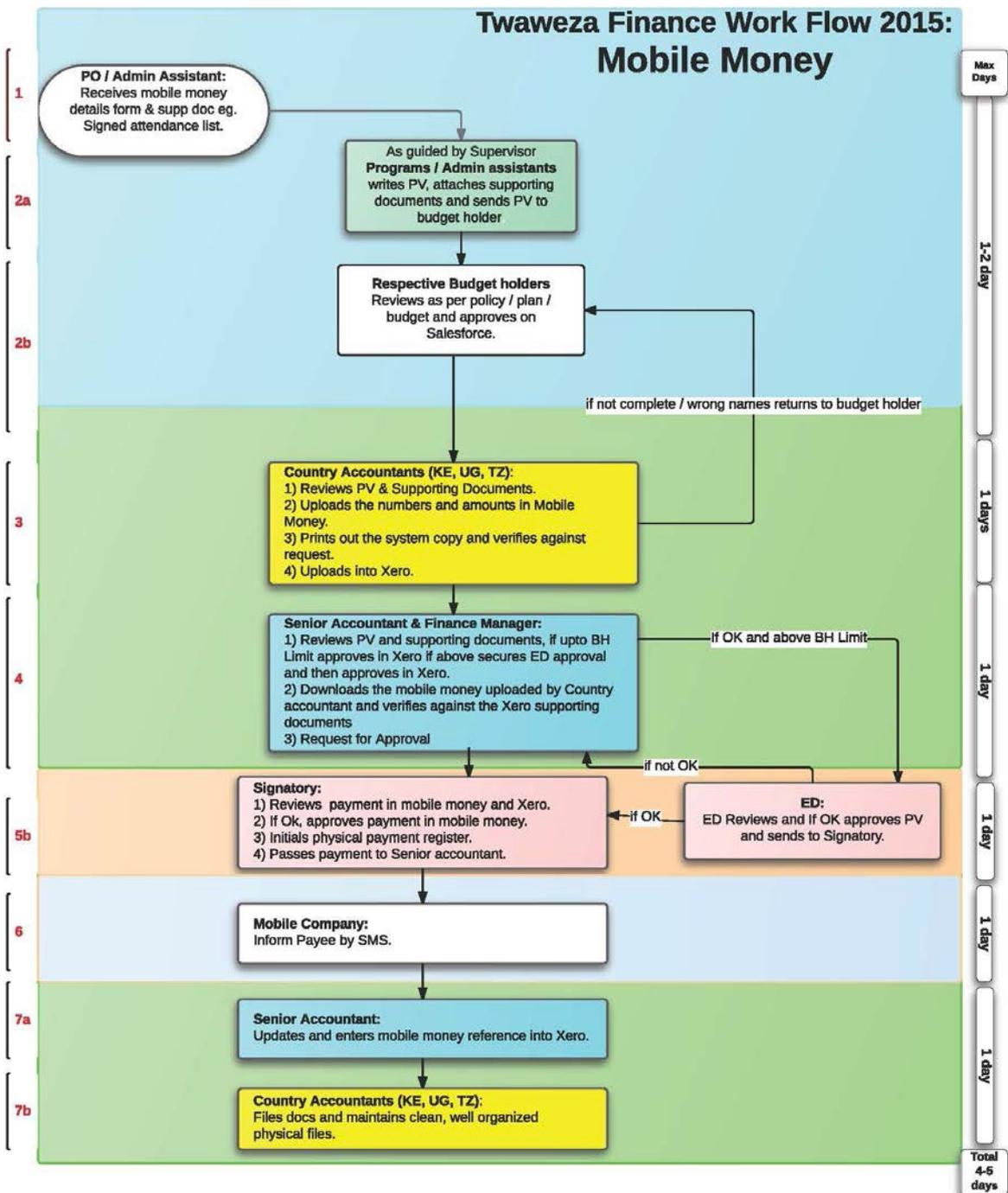
The payment approval workflow and duties for each individual involved in payment process is shown on annex II “Payment procedures”.

Where specific authorization has been given via email a copy of that email showing email address, date/time sent by authorized person should be printed and attached to PV, and authorization box mark ‘By email on DD/MM/YY’

#### **Other Notes (for payments processed manually):**

1. If there is an error made cross it out with one clear, thin line – rewrite the figure correctly next to it, and initial. Do NOT overwrite in the same space or use white out.
2. Any changes made to figures need to be co-signed next to the change by all parties involved.





## Annex III – Twaweza Guide on Imprests

This Annex III summarizes the type of information required on imprests.

### What is an imprest?

An imprest is an advance payment to a staff person or partner to undertake a specific set of activities over a short, defined period. They are expected to undertake the activity and within set times retire it– account for outputs delivered and funds spent.

### Why should we avoid imprests?

Twaweza discourages imprests to staff and partners, because it constitutes a risk in financial management. For example, Imprests to staff are viewed poorly by finance people since they can be seen as loans to staff. At all times wherever possible we should seek to avoid using cash and giving out large advances. Therefore imprests should only be used where other means are not possible; as an exception; and in those cases with very small amounts. Because setting up non imprest arrangements can take time, officers responsible should plan and act in good time. “We don’t have time left to make alternative arrangements to imprests” shall generally not be accepted as a reason to grant imprests.

### Who can be issued an imprest?

Imprests are an advance of cash to organizations or individuals, and the organization must take reasonable measures before such funds are given out (just like banks do the same). Imprests may therefore only be given as follows:

1. Legally registered partner organizations that have undergone and passed due diligence. The head of the organization or another senior officer if authorized by that organization’s head must sign to accept responsibility for the imprest. Imprests may not be issued to or paid into accounts of individuals.
2. Confirmed long term contract employees or long term consultants (long term = with contract of 6 months or more).

Only one imprest can be issued at one time; therefore a partner or employee whose previous imprest has not been fully retired/cleared may not requests and may not be issued with an imprest.

Imprests should generally not be taken by one person on behalf of another either.

### What are imprest limits?

Imprest amounts and times should be kept as low/short as possible. But they should not exceed the following:

	<b>Amount limit</b>	<b>Time Period to Retire</b>
<b>Orgs after due diligence</b>	USD 6000 or equivalent	Pref 1 month, max 3 months
<b>Confirmed Employees</b>	USD 2000 or equivalent	Pref 2 weeks, max 6 weeks

Activities that are expected to take longer than the above limits should be broken down in smaller parts and funds requested for a part at a time. Exceptions to the above limits may be granted by the Executive Director in exceptional circumstances; but reasons for the exceptions need to be stipulated by the Budget Holder in a detailed memo sent well in advance.

## Imprest Retirements

Imprests should be retired (i.e. fully accounted for) as soon as possible and no later than the imprest retirement date stated on the request. Delay in retirement constitutes a gross violation of Twaweza Policies.

## How to Request and Retire Imprests

### Requests

To enhance transparency, automatic checks on previous unretired imprests and casting all Imprest requests should be made via Salesforce by responsible individuals.

#### 1. DM (or AM) and Unit

Officer should fill in the unit whose budget will pay for activity, and the approved DM or AM number. Leave blank here the activity does not require DM/AM.

#### 2. Activity description

The officer will clearly describe the activity he/she will be doing in a manner that any third party can understand. They will write the corresponding activity number from the Annual Plan.

#### 3. Activity start date and end date.

The officer will fill in the activity start date and end date. The importance of knowing the dates is to avoid issuing early imprest and expose the organisation to risk and also knowing when the activity ends will help knowing when the imprest is due. The time period should be as short as possible and within limits stated above.

#### 4. Budget codes and budget description

This is where the money will be drawn from. These codes will be used when posting actual expenditure. The officer needs to use of correct code to avoid errors in posting which may result in drawing money from incorrect budgets. Three sets of codes need to be selected as follows:

Country code	KE, TZ, UG or RO
Main code	The code from the Annual Plan
Functional Code	The 3 digit code that describes type of activity

#### 5. Imprest due date

This is when the imprest needs to be retired to the Accountant (via Budget Holder) as per the policy. Funds should be retired as soon as possible after the end of the activity – usually within three working days.

#### 6. Why imprest?

Since we prefer staff to use alternatives to imprests, explanation needed on why alternatives were not possible and why imprest is the only viable solution.

#### 7. Description, Unit cost and extended amount

Here you need to enter in the line items which you are requesting imprest for, in a manner that is clear and understandable to any third party. Example: Accommodation and the amount per night followed by total number of nights to be spent. Salesforce will automatically calculate the cost extensions and totals. For each imprest item, you will be required to select functional code and currency.

## 8. Authorization levels

Once the imprest has been completed the responsible officer will approve it. The respective Budget Holder (BH) whose code is charged needs to review the imprest information for accuracy, compliance, completeness and clarity, and when satisfied approve it. If the amount is within BH Limit (and not sensitive or conflict of interest), the imprest request is then considered approved. If above BH level then it is forwarded to the Executive Director for approval, together with PV.

## Retirements

Salesforce is designed such that imprest retirement form is linked to the imprest request form. All key data on imprest request carries over to imprest retirement form– so you do not need to fill it in again. It saves time, ensures consistency and allows comparison of the request and retirement.

The main features are:

- Compare the imprest due date and actual date retired. Imprests are expected to be retired on time. Any delays should be exceptional and fully explained.
- Compare activities/amounts requested with actuals done and delivered.
- Reference: Each activity is to be accounted for in a report or other reasonable evidence, and costs incurred supported by genuine receipts. These should be well organized so that any person can clearly and easily follow and link the explanation and totals with the supporting documentation. The Finance Unit can guide further as needed.
- The total amount is to be stated in numbers and words; salesforce will calculate totals and show balance.
- Each officer and Budget Holder approving the imprest retirement in salesforce once satisfied that the imprest retirement complies with policy and all supporting documents/ receipts are genuine to the best of their knowledge and judgement.
- Once the imprest retirement is approved it then goes to the Finance Unit.

## Conclusion

These guidelines have been written to help all of us be good stewards of resources, to enhance transparency and accountability, and to help all of us know what the requirements so that we can do our jobs efficiently. We count on each one of us to play our part. With a spirit of understanding, responsibility and cooperation, we can succeed.