



# City University

## of Mogadishu

3 Maka Al-Mukarama Road  
K-4 Square, Mogadishu, Somalia

Telephone Numbers:

+252-61-657-8898

Email: [info@cu.edu.so](mailto:info@cu.edu.so)

Website: [www.cu.edu.so](http://www.cu.edu.so)

## **Financial Management Policies & Procedures Manual**

## **1. OVERVIEW**

### **a) Introduction**

This manual is for the management, regulation and guideline of the City University and shall constitute the financial regulation of CU. This regulation shall specify how the various transactions related to university finances shall be carried out by all employees responsible for Financial Management.

### **b) Purpose**

The purpose of this manual is to describe the financial accounting policies and procedures of the City University. The manual also details internal controls and specifies methods to safeguard CU' asset, check the accuracy, transparency and reliability of recorded accounting data and promote efficiency in the accounting operation.

### **c) Basic Principles**

It is City University's policy to maintain good accounting records based on Generally Accepted Accounting Principles GAAP for non-profit organizations. With these principles, CU adheres to generally accepted accounting principles to ensure costs are reasonable, allowable and allocable. As such financial records are maintained and reports are prepared on an accrual basis. Accurate accounting and financial reporting within CU and its periphery institutions are integral to providing the necessary information for budgeting, planning, and management responsibilities. To achieve this, CU's financial management and reporting systems are constructed so that:

- ✓ Each financial source is individually identified and individual expenses are recorded in a transparent manner to ensure that the expense is charged to the correct financial Source,
- ✓ All payments are based on fully supporting documentation
- ✓ All financial records are supported by source documentation
- ✓ Income is compared to the actual expenditures and the difference is documented
- ✓ Each financial transaction must be authorized, approved and handled by different people

In accordance with Generally Accept Accounting Principles there must be a sound accounting system, daily attention by the finance officers adn regular oversight by the Board of Trustees to make sure the university financial resources are utilized cost effectively and independent activities, such as an annual financial audit with the recommendations of the internal auditor

and accountant support with sufficient separation of duties and responsibilities.

a) **Scope**

The aim of the financial regulations is to lay down the minimum level of accounting and financial procedures within the City University and with its periphery institutions with a view to achieve improved efficiency, avoidance of any confusion in the university's financial system and correct recording of transaction that are consistent with the globally approved financial reporting standards, practices and the law of Somalia. The policies and procedures contained herein shall be applied to all financial systems in the university. The regulations in this manual shall not only contribute to the effective operations of the City University inside and outside the finance department but also shall delineate herein all documents to be used at each stage in finance handling processes in CU and its periphery institutions including institutes and canters.

The finance department shall ensure that the financial affairs of the CU are run according the financial regulations manual respecting the policies and procedures contained in this manual. Any changes or amendments to these regulations shall be approved by the Board of Trustees following the relevant recommendations of the finance department and senior CU leadership.

## **2. CHART OF ACCOUNTS**

CU'S accounting system shall ensure that all income and expenditures are properly recorded with source documents. All income and expenditures shall be traceable. A detailed chart of accounts will be developed in consultation with the Vice President for Administration and Finance.

## **3. ROLE OF FINANCE DEPARTMENT**

The role of financial department of the City University is to provide sound financial planning and prudent financial management. It is the responsibility of the finance department to implement the financial regulations to ensure financial discipline and control to the benefit of the City University.

a) **Vice –President for Administration and Finance**

The responsibilities expected of the finance officer (here the vice president) in the implementation of reliable transparent and accountable financial systems include but not necessarily limited to the following.

1. Persistently review the financial policies and procedures for sound financial management and advise the Board of Trustees about the financial matters
2. Manage the activities of the finance department for smooth operations.
3. Collate the preparations of the budgets for resources allocation and control
4. Advise management on all financial matters for sound decision making
5. Manage revenue and expenditure, analyse and prepare reports to facilitate timely financial decision making.
6. Coordinate internal financial controls to ensure timely production of financial accounts.
7. Keep custody of financial documents for security and proper usage of these documents
8. Manage assets for accountability and ensure realization of business objectives resulting in financial sustainability of the university institutions

**b) Accountant**

1. Coordinate and supervise the work of the cashiers in other campuses.
2. Prepare final accounts for use in decision making by the Vice President for Administration and Finance
3. Verify the documentation and posting of transaction for accuracy and correctness.
4. Answer queries raised by the Board in relation to technical aspects of your department at any time.
5. Manage creditors' ledger to facilitate effective cash flow management.
6. Facilitate Internal and external audit exercise for timely production of audited accounts.
7. Manage payroll preparation for accurate and timely payment of salaries.
8. Maintain the student accounts to ensure accurate database.
9. Reconcile student fees records for accuracy and prompt action by departments.

10. Respond to queries on fees status for customer satisfaction and prompt settlement of student accounts.
11. Maintain check /cash register to ensure prompt banking of check /cash received.
12. Prepare purchase orders, quotations, bids, vendor selection process, carry out procurement activities and interact with the vendor and creditors under the supervision of the Vice President Admin and Finance for accountability and to facilitate procurement.
13. Maintain the records of receipts to ascertain income
14. Post receipts and payments transaction for prompt preparation of management accounts
15. File financial source documents for easy access, retrieval and preservation of information.
16. Prepare checks to facilitate payments.
17. Manage petty cash and process documents for petty cash disbursement.
18. Verify receipts for accuracy of entries.
19. Prepare payroll to facilitate timely salary payment with the help of HR.
20. Prepare bank reconciliation statement to ensure cash book records tally with bank records.
21. Generate data required for prompt budget preparation and follow-up
22. Maintain payments records to facilitate preparation of financial reports.
23. Perform any other duties that may be assigned to him/her from time to time by VP for Administration and Finance or his designee.

#### **4. BUDGET**

##### **a) Budgetary Procedures.**

The budgetary procedures shall outline the nature of budget to be prepared, their frequency and the necessary controls to ensure that the estimates are achieved.

1. In exercising financial discipline and control, it shall be necessary to forecast the income and expenditure of CU.
2. Budgets shall be prepared for short term periods of one month, three months, six months or one year.
3. It shall be the responsibility of the VP for Admin and finance to obtain the forecasts and estimates from the relevant departments and to consolidate the same into a master budget.
4. The accountant shall maintain detailed records with regard to all types of expenditure. Whenever the actual expenditure exceeds or is likely to exceed the budget , the scenario shall be brought to the attention of the president and any corrective action shall be taken as necessary

**b) Annual Budget.**

The VP for Admin and finance in consultations with the president of the university shall prepare each year's operating budget and present it to the Board of Trustees for their review, amendment and approval. The budget will include a discussion and presentation of CU's internal operations. In setting the annual budget the following steps are important.

1. An annual budget shall be prepared and presented to the president of the university for endorsement and later to the board for approval.
2. The annual budgets shall comprise of an operating budget and capital expenditure budget.
3. The operating budget shall deal with the income and expenditure of the CU where the capital investment budget shall be used for the expected expenditure on replacement or acquisition of new assets of capital nature.
4. It shall be the duty of the finance department to consolidate such budgets which have been deliberated upon. As such, the finance department shall prepare monthly budget follow-up schedule clearly showing budget allocations, commitments, payments and balances and shall table this at CU management meetings and later submitted it to the board of trustees.

**c) Implementation.**

1. A review of the revenue and capital budgets shall be made at least once in a month and comparisons between the actual and budgets done to determine any variances. These variances shall be analysed and commented upon by the relevant department heads and by the internal auditor.
2. A review of the revenue and the capital budget shall be done four times in a year and if deemed necessary corrective action shall be taken to enhance income, control expenses, and costs and thus maximize profitability.

## **5. CASH MANAGEMENT.**

### **a) Cash.**

Only cash necessary to anticipated day-to-day expenditure shall be kept available. Any excess cash shall be deposited in the appropriate bank accounts. The City University will maintain a bank balance sufficient for its immediate operating needs. All cash and checks received must be deposited promptly to the relevant account (Revenue, Operations or Donations), preferably within one or two working days. Any cash lost in transition is a liability on the persons involved. Cash disbursement (check payments) must be released according to invoice terms (normally thirty day) and on a timely basis to ensure continued good relationships with vendors and creditors.

### **b) Bank Account**

A separate general ledger account is maintained for each bank account. A separate bank account may be opened to meet the specific requirements of the CU's financial transparency and accountability or as deemed necessary a separate bank account is maintained for overheads including the payroll, another separate bank account for revenues from all income sources and another separate account for the donations from all donors. the VP for Admin and finance in tandem with his/her accountants will, as necessary, review all open bank accounts and make recommendations to the President and the Board of Trustees of the university for any account that should be closed only the VP for Admin and Finance in consultation with the university President is authorized to recommend the Board opening or closing bank accounts for the City University

1. The City University shall have three operating bank accounts in the local banks or as many as deemed necessary. These three bank accounts shall be: revenue accountant, operations account and donations account. there can be the same account in two separate banks
2. All checks shall be normally signed by the VP for Admin and Finance, Senior VP for Academics, Executive VP and Provost and the President from the operations account. A Third alternative signatory shall be made available for replacement when one of the two signatories is not available.
3. A letter about the mandated signatories with sample of their signatures shall be held by the respective banks.
4. The signatories shall be as approved by CU Board of Trustees.
5. All checks for signature must be accompanied by an invoice, the relevant payment voucher signed by the requesting party and VP for Administration and Finance, and other supporting documents such as delivery note and the goods received note.

### **c) FEES MANAGEMENT**

The tuition fee and other charges collection management shall ensure accurate billing and appropriate receipting for City University money.

1. Tuition fee and other charges are payable only to bank accounts
2. The accurate student statistics is of the essence of tuition fees collection.
3. Any bank charges and costs relating to fee payment shall be passed on to the sponsor/parent plus and administration charge determined by the City University.
4. The receipts issued to the student shall show the amount payable , the amount paid and the balance.
5. Checks/cash collected shall be banked on a daily basis.
6. The individual receipts shall be reconciled with the deposits as per the bank statement on a monthly basis.
7. Any cash received after banking hours shall be kept in City University 's safe and banked on the next working day
8. Dishonoured check shall be traced to the particular student for notification and immediate payment of the check amount plus any other charges.

### **d) PETTY CASH**

1. Petty cash will be used for expense of less than \$100 US Dollars, which are not required to go through the purchasing procedure.
2. The petty cash shall be operated in reimbursement basis a float level stipulated in management of financial resource guidelines.
3. The petty cash records shall be maintained in the petty cash book.
4. Petty cash records shall be authorized by the VP for Admin and Finance or his/her designate before reimbursement and records shall be maintained for verification for accountability.
5. All petty cash payments shall be supported by petty cash voucher and appropriate valid receipts or documents.
6. Petty cash shall be maintained by staff member in the finance department appointed by the cashiers or campus coordinators at different campuses.
7. No advances shall be made to staff out of petty cash.

### **E) Cash Receipts**

All checks received must be recorded in a "check log" The log must include the date, name of sender, amount, and purpose of all checks received. The finance



officer shall make a copy of each check and shall keep that copy with the check log.

1. All cash payments must be made in to City University's bank account.
2. All bank checks must be paid to the cashier and receipted after banking,
3. All received cash and checks must be banked daily.

#### **e) CHECK Processing**

##### **1. Authorized Check Signature**

In accordance with the nature of operations of the City University, the President, Executive Vice President, Senior VP for Academics and VP for Admin and Finance in a conjunction with the Accountant shall receive and disperse funds in accordance with the policies determined by the Board of Trustees. In accordance with these provisions, the President of the university in conjunction with the Executive VP & Provost, Senior VP for Academics and VP for Admin and Finance is authorized to write and sign checks drawn against operations account of the University for the following administrative purpose:

- a) Payments of contractors with whom the Board of Trustees has negotiated a contract, provided that the contractors have performed the work to the satisfaction of the Board;
- b) Payments of on-going or regularly recurring expenses of the University including , but not necessarily limited to, monthly rent, telephone charges, utility charges, and equipment rental fees;
- c) Purchase of office supplies, and other expendable items, as required;
- d) Payment of salaries to any and all employees of the University as authorized by the Board of Trustees;
- e) Reimbursement of expenses incurred by university employee, members of the Board of Trustees, and any other in performance of duties directly related to the work of the University provided that proper documentation is supplied;
- f) Purchase of equipment necessary for the operation of the University offices, including, but not limited to computer systems, copy machines, and office furniture;
- g) And any other incidental purposes as may arise for the orderly operation of the University offices;

The President and Executive VP of the University can sign a check to the Revenue and Donations Accounts.

##### **2. Payments procedures**

Each check to be signed must be accompanied by original supporting documentation. The VP for Admin and Finance of City University or his/her assistants shall ensure that the original supporting documents, including

invoices, are maintained in the vendors file. Checks presented for payment (i.e., to be signed) are to be signed as expeditiously as practicable. Checks will not be made payable to an unidentifiable entity. Blank checks will not be signed and left blank to be filled in later. It is CU policy not to pay invoices in cash and not before thirty days. All payments must be made by check where applicable.

### **3. Contracts and agreements**

- a. All contracts and agreements with CU must be in writing and sealed or stamped as necessary.
- b. All contracts and agreements on behalf of the university must be duly signed by the President, Executive VP or designated VP.

### **4. Procurement & Quotations**

Purchase of goods, services and works having a total of \$150,000 or less may be undertaken using the procurement by quotation method as described below:

#### Items with a value up to \$5,000 – Request for Quotation.

A minimum of one email quotation must be obtained and the details recorded before placing an order (similar details must be recorded where more than one supplier has quoted) and documented in the university's QuickBooks accounting system.

#### Items with a value \$5,001 to \$15,000 – Request for Quotation.

Council will receive a minimum of three email quotations.

The quotation offering the best value for money must be confirmed by the supplier on company letterhead and the order placed with that firm.

Details of the suppliers contacted and their quotations must be recorded on at least a simple spreadsheet or similar document in the University's computerized accounting system.

#### Items with a value \$15,001 to \$149,000 – Request for Quotation.

Council will receive three written quotations by issuing a written Request for Quotation. Public advertising is not required.

Quotations returned by the nominated closing date must be evaluated and a recommendation made in favor of the supplier offering the best value for money outcome.

The original supplier's quotations must be maintained in the University's Record system.

### Public Advertising.

Quotations may be advertised at the Procurement Team's discretion in addition to the methods above. This may occur when a field of potential tenderers hasn't been established, or an innovative approach is required, or the project has broad appeal that may attract keen prices, etc.

#### ➤ **Procurement Team**

The University shall maintain a documented scheme of a procurement team, identifying the University staff authorized to make such procurement commitments in respect of goods, services and works on behalf of the University. Procurement Team decisions quorum requires at least four of its members to be present:

- VP for Administration & Finance;
- Director of Administration & Residential Services;
- Maintenance Manager;
- HR Manager
- Operations Manager; and
- Executive Assistant to the President.

Procurement Team responsibilities include:

- Acceptance of tenders
  - Acceptance of quotes
  - Contract term extensions (within authorised budget)
  - Contract amendment (non-financial)
  - Contract amendment (financial)
  - Appointment to register of pre-qualified suppliers
  - Procedural exceptions
- a. The purchasing procedures shall ensure that the requisition of both goods and services is procedural.
  - b. All expenditures beyond the budgeted amounts shall be approved by the City University Board of Trustees.
  - c. All requisitions for goods and services shall be done by the procurement team headed by the VP for Admin and Finance or his designee.

- d. Local purchase order(LPO) shall be assigned by officers with Authority to incur expenditure (AIE).
- e. Losses incurred through failure to follow the laid down rules shall be a liability on the officers concerned.

**5-AUTHORITY TO INCUR EXPENSES**

- 1- Authority to Incur Expenses (AIE) holder means one who is authorized to commit financial obligations for the City University. That is the vice president of Admin and Finance under the supervision of the CU President.
- 2- Authority to incur financial transactions cannot be delegated.
- 3- Any employee who is not an AIE holder and commits financial expenses in the name of the City University and its periphery institutions will be personally liable for the expenses.

**6. SAMPLE OF IMPORTANT FORMS FOR PROCUREMENT**

**CITY UNIVERSITY (CU)**

**Station regulation form**

NAME: \_\_\_\_\_ DEPARTMENT: \_\_\_\_\_ DATE : \_\_\_\_\_

ITEM	PURPOSE	QUANTITY
TOTAL ALLOCATED COST		

Item to be supplied:

Approved By: \_\_\_\_\_  
\_\_\_\_\_

Authorized

By:

Received By: \_\_\_\_\_ issued By \_\_\_\_\_ :

NOTE: A requisition must be raised and approved issue/ purchase of any stationary.

**CITY UNIVERSITY**

**PURCHASE REQUISITION FORM**

NAME:.....DATE: .....

DEPARTMENT: \_\_\_\_\_ PROCUREMENT \_\_\_\_\_

Please approve purchase for the following items

Item	Purpose	QTY	Cost per unit	Total cost
TOTAL ALLOCATED COST				

**SUMMERY OF QUATATIONS**

NAME OF SUPPLIER	APPROVED SUPPLIER	SIGNITURE
1 .....	.....	.....
2 .....	.....	.....
3 .....	.....	.....
4 .....	.....	.....

Approved By: \_\_\_\_\_ MODE OF PURCHASE:

NOTE: A requisition must be raised and approved before purchase of anything.

**7 Bank Accounts Management**

**a) Bank Statement and Reconciliation**

Monthly bank statements are to be collected from the bank and presented to the VP for Admin and Finance no later than the 5<sup>th</sup> day of the following month.

The bank statement shall be reviewed by the Accountant and bank reconciliation performed no later than the 10<sup>th</sup> day of the following month. Reconciliations must agree with the general ledger and a hard copy of the ledger reconciled with the bank statement should be filed with the office of VP for Admin and Finance. Any discrepancies must be reported to the President monthly.

The VP for Admin and Finance should receive from the Accountant all outstanding amounts owed to CU monthly.

#### **b) Check control**

The check register, which is internal to modern accounting software system, is maintained by the VP for Admin and Finance of the university and his/her financial staff. The check register identifies the check number, date the check was issued, vendor, purpose and amount. Checks are kept under and lock, and physical access to unissued checks is restricted to the VP for Admin and Finance of the university. At the end of each month, the bank returns copies of bank processed checks (cancelled). All bank processed checks will be maintained in numerical sequence. The concerned financial staff will update the check registers to identify those checks that have cleared the bank.

#### **c) Voided checks**

A check will be voided when it has been found that the check was issued in error (e.g. wrong amount or wrong vendor) voided checks will be marked "VOID" in large letters. All voided checks will be numerical sequenced with the bank processed, cancelled checks. Once the bank has been notified to place a stop order on any check, that check number must be voided within the accounting software. If new checks are subsequently issued, then a cross – reference will be made to the cancelled checks.

### **9. Payroll**

#### **a) General**

The accountant under the supervision and direction of the VP for Admin and Finance of the university shall maintain payroll records to determine: who will be paid, in what amounts for what time periods.

#### **b) Timekeeping**

The City University pays on a monthly basis (i.e. once per month) and uses a monthly personal activity reported to record each employee's time during the month (see CU's personnel policies and procedures). The HR Manager should collect attendance records from all campuses on a daily basis and report any

deductions for absences or late arrivals to the VP for Admin and Finance before the last day of each month.

### **c) Payroll processing**

The vice president for Admin and Finance of the university will work with the payroll service team to process the payroll on the monthly basis (VPAF, HR & Accounting). The preparation of the payroll must come only after receiving monthly activity reports of the teaching and non-teaching staff in the university. After consultation with the Senior VP for Academics and the Human Resource Manager, the president and the VP for Admin and Finance are responsible for making any salary adjustments based upon the actual assessment, after the personal activity reports submitted at the end of the month. Payment of salaries and other due benefits will be made to each employee within the first five days of every month.

## **10. Auditing**

In compliance with this financial manual, the Internal Auditor of the Board of Trustees of the City University will conduct an annual financial audit. Also the Board might hire a qualified external auditor who will perform auditing according to the requirements of generally practiced auditing standards and will take place shortly after the end of the University's fiscal year. Prior to commissioning external auditor, the internal auditor must produce internal audit report on all the financial behaviour and practices. The VP for Admin and Finance of the university is responsible for sending copies of the audit report and related documentations to the appropriate authorities within the institutional setup of the City University.

### **a) Internal Auditor's responsibility**

The internal auditor of the CU has five primary responsibilities:

- a. **Financial and management information integrity:** The internal auditor provides the board of trustees and the University's senior leadership with a means to ensure that financial and other management procedures are accurate and credible.
- b. **Internal control:** The internal auditor monitors and evaluates the effectiveness and the efficiency of the university's financial system.
- c. **Operational improvement:** The auditor evaluates the operations of the university to identify process defects, improvement advice and cost reduction opportunities for management. He /she also assists in communicating and implementing best practice between departments and operations.
- d. **Audit coordination:** The internal auditor coordinates audit plans with external auditors to ensure timely, economical and effective completion of the audit program for financial procedures, statements and their compliance with GAAP.
- e. **Recruitment and training:** The internal auditor generally supervises that recruitment procedure are consistent with the recruitment rules

and regulations as stipulated in the University's Human Resource Policies.

**b) External auditor**

City University's board of trustees will hire external auditors as needed.

**11. Fixed assets**

**a) Definitions**

As defined in CU's "property management policy manual" real property is land, including land improvements, structures, and appurtenance thereto, vehicles, computers and computer labs, movable machinery and equipment. Equipment is a fixed asset having a useful life of more than one year and an acquisition cost of more than \$ **300**.

**b) Recording of Fixed Assets**

Fixed assets: The name, description, cost, location and accumulated depreciation all fixed assets shall be recorded. An off-line depreciation schedule shall be provided by the accountant and any additions, disposals and period depreciation must be updated to the detailed ledger quarterly. On quarterly basis, the detailed depreciation schedule must be reconciled with the general ledger for asset cost and accumulated depreciation. Donated property and equipment are stated at the fair market value at the date of donation. Depreciation is computed using a straight-line method over the estimated useful life of the assets, normally three to five years. Use the form below for recording assets.

**CU FIXED ASSET RECORDING FORM**

**To Be Completed By Office of Accountant**

01 Transaction Type (Tick):	<input type="checkbox"/> Purchase	<input type="checkbox"/> Disposal	<input type="checkbox"/> Write Off
02. Date of Transaction	<input type="text"/>		
03. Number of Units	<input type="text"/>		
04. Asset Description & Digital Photo	<input type="text"/>		
05. Current Cost Centre & Expense	<input type="text"/>	<input type="text"/>	
06. Depreciation Start Date	<input type="text"/>		
07. Total Cost Including Taxes	<input type="text"/>		
08. <b>Disposal &amp; W/O Only</b> – Asset Cost	<input type="text"/>		
	<input type="text"/>		



09. **Disposal & W/O Only** – Asset Tag

10. **Disposal Only** – Proceeds from \$

11. Supporting Documents Required

12. Prepared By (Employee Name)

13. Signature & Date

**To Be Completed By the Office of VP for Admin and Finance**

14. Current Location

15. Asset Serial Number

16. Asset Type

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Authorised Signature & Date    
Position

**c) Recording of fully Depreciated Assets**

Fully depreciated assets must remain on the property records with the related accumulated depreciated as long as the property is still in use.

**d) Fixed Asset Movements & Write-Offs**

Write offs relate to existing fixed assets, which have been lost or stolen, or those fixed assets that are to be discarded for nil proceeds. All write offs require prior approval from the office of the VP for Admin and Finance with the full documentation, justification and signatures.

Where a fixed asset has been lost or stolen, an Accident and Incident Report form from the accountant's office must be completed prior to the write off request. This form should then be attached to the write off business case request and returned to office of the VP for Admin and Finance for consideration.

These details of the written-off asset will need to be entered onto the Fixed Asset Register and then be passed to the relevant authorities for removal.

**12. Internal control**

**a) General**

It is CU policy to have a system of checks and balances in all of its operations. Basic controls of checks and balances are incorporated throughout each of CU's procedures, Human Resource Policies, property management policies, procurement policies, travel policies, and financial management policies.

#### **b) Non-financial internal controls**

To safeguard CU's assets, ensure the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations, the following non-financial control has been instituted:

1. All trip requests must be approved by the Office of the President prior to booking a trip.
2. Paid overtime to non-exempt employee must be approved in advance by the Office of President of the university at the request of the HR manager and endorsement of a Vice president.
3. There are annual meetings of the Board of Trustees to, among other things, review, improve and expand CU's internal controls. There can be as many extraordinary Board meeting as deemed necessary.

#### **a) Financial internal control**

To safeguard CU's asset, ensure the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations, the following financial internal controls have been instituted:

1. The same person in the university hierarchy cannot write a purchase order and sign a check.
2. Without quotation and vender analysis, procurement processes which are not in line with the procurement guidelines listed above becomes invalid and unacceptable.
3. A daily updated log is used to record all cash and checks received as well as all checks issued;
4. Transparency in the procurement process;
5. A clearly documented audit trail exists for procurement activities;
6. Appropriate authorizations are obtained and documented; and
7. Systems are in place for appropriate monitoring and performance measurement.

### **13. Funds control**

A basic element of project accounting is funds control ( i.e. writing commitments such as contracts and purchase orders when project funds are available). This is an integral part of CU's internal controls and funds control. Consequently, as stated in CU's procurement policy: prior to forwarding the procurement documents for signature , the Vice president Admin and Finance shall verify that funds are available to cover the costs of the procurement.

## **14. Close-out**

### **a) Monthly**

Prior to month end close-out, all accounting transactions, including journal vouchers will be posted. In conjunction with the accountant, the Vice president finance of the university and his/her staff will close-out the accounts by the fifth working day of the following month. CU's accounting software system (QuickBooks) have all a close-out feature that automatically updates all the accounting files and reports. Once the close-out has occurred, the accountant will perform the bank reconciliation and report to the VP for Admin and Finance. The VPAF will review the financial reports and provide copies of the same to the Office of the President.

### **b) Year-End**

The same procedures as month-end will be followed at year-end . the Office of the VPAF, with assistance from the chief accountant of the university, will prepare the necessary year-end financial reports. These will be used in preparing for the year-end external audit, and will include, at a minimum:

- Statement of financial position
- Income statement
- Statement of activities
- Statement of cash flow