



Agency For Accelerated
Regional Development

FINANCE AND
ADMINISTRATION

MANUAL

REVISED - JUNE 2021

**FINANCE AND
ADMINISTRATION**

MANUAL

ACKNOWLEDGEMENT AND STATEMENT OF COMPLIANCE

- Please sign below to indicate that you have seen, read and understood the contents of this AFARD FINANCE AND ADMINISTRATION MANUAL revised 2021, and return the signed page to Human Resource/Finance and Administration office.

This page will be kept in your personnel file.

- I confirm that I understand the contents of this Finance and Administration manual and I will ensure that I comply with the policies and procedures herein while I undertake my day to day duties.

Name:

Signature:.....

Designation:.....

Date:.....

TABLE OF CONTENTS

1	INTRODUCTION	5
1.0	Background	5
1.1	Objectives of the manual	5
1.2	Review and updating of the manual	5
1.3	Distribution of the manual	5
2	FINANCE AND ADMINISTRATIVE MANAGEMENT ROLES, RESPONSIBILITIES & STRUCTURE	6
2.0	The Board of Directors (BoD)	6
2.1	Finance, Audit, Administration and Resource Mobilisation (FAARM) Committee	6
2.2	Executive Director	7
2.3	The Director of Finance and Administration (DFA)	7
2.4	The Accountant	7
2.5	The Administrative Assistant	7
2.6	The department structure	7
3	FINANCIAL POLICIES AND PROCEDURES	8
3.1	Accounting system	8
3.2	Accounting period	8
3.3	Accounting responsibility	8
3.4	Significant accounting policies	8
4	PLANNING, BUDGETING AND BUDGETARY CONTROLS	11
4.0	Work Plan	11
4.1	Budgeting	11
4.2	Approval of Budgets and Work plans	11
4.3	Budget Review and Monitoring	11
5	CLASSIFICATION OF ACCOUNTS	12
5.0	General Ledger codes	12
5.1	Classification/Activity Codes	12
5.2	Books of accounts	12
5.3	Requisition for Funds	12
6	RECEIPTS	13
6.0	Acknowledgement	13
6.1	Banking	13
7	PAYMENTS	14
7.0	Requisition for Payment	15
7.1	Approval of Payment	15
7.2	Documentation	15
7.3	Preparing Cheques	15
7.4	Signing of Cheques and Electronic payment mandates	15
7.5	Issuing of Cheques	15
7.6	Acknowledgement of Payments	15
7.7	Filing Accounting Documents	15
7.8	Petty Cash Imprest System	15

8	REPORTING	18
8.0	Purpose of Reports	18
8.1	Document retention period	18
8.2	Monthly Reports	18
8.3	Annual Reports	18
8.4	Quarterly Progress Reports	18
8.5	Project/Programme Completion Reports	18
9	AUDIT	20
9.0	Audit preparation	20
9.1	External Audit	20
9.2	Internal Audit	20
9.3	Investigative Audit	20
9.4	Close out Audit	20
10	PROCUREMENT AND DISPOSAL	21
10.0	Objectives of Procurement System	21
10.1	General guidelines for procurement	21
10.2	Procurement process	22
10.3	Supplier Pre-qualification	23
10.4	Direct procurement or disposal	23
10.5	Emergency procurement	23
10.6	Other disposal methods	23
10.7	Statement of procurement or disposal requirements	24
10.8	Tendering	24
10.9	Procurement Committee - composition	24
10.10	Bid Notice and Submission of Bids:	24
10.11	Procurement Limits	25
10.12	Local Purchase Orders (LPO)	26
10.13	Delivery of Goods	26
10.14	Invoices	26
10.15	Procurement of Consultancy Service	26
10.16	Procurement of Workshop Facilities	26
11	PAYROLL	27
11.0	Objective	27
11.1	Benefits and Allowances	27
11.2	Authority for Payment	27
11.3	Timesheets	27
11.4	Changes to the Payroll	27
11.5	Pay date	27
11.6	Salary Payment	27
11.7	Processing the Payroll	27
11.8	Overtime	27
11.9	Tracking Leave and Sick Days	28

12	TRAVEL ADVANCES	29
12.0	Objective	29
12.1	Authorization of Advance	29
12.2	International Per diem	29
12.3	Local Per diem	29
12.4	Travel Expense Reports and Reimbursable Expenses	29
12.5	Processing Travel Reconciliation Reports	29
12.6	Reimbursable Travel Expenses	29
12.7	Trip Reports	29
12.8	Unretired Advances	30
12.9	Exchange Rate for Travel Reconciliation Reports	30
12.10	Limitations	30
12.11	Journals	30
12.12	Repayments	30
13	FIXED ASSETS MANAGEMENT	31
13.0	Initiating and Authorizing Acquisition	31
13.1	Fixed Asset Register	31
13.2	Engraving/Labeling Fixed Assets	31
13.3	Disposal of Fixed Assets	31
13.4	Loss of Assets	31
13.5	Vehicle	32
14	COMMUNICATION	35
14.0	Correspondences	35
14.1	Referencing	36
14.2	Phone and Fax	36
15	APPENDICES	38
15.0	User Department Purchase Requisition Form	38
15.1	Independence Declaration Form for The Procurement Committee	39
15.2	Supplier Quotations/Tender Analysis Form	40
15.3	Single Sourcing Justification Form	41
15.4	Request for Quotation (RFQ)	43
15.5	Vehicle Request form	44
15.6	Restricted Reserve Fund	44
15.7	Per Diem Rates 2021	46

LIST OF ABBREVIATIONS /ACRONYMS

ACT	Accountant
AO	Accounting Officer
CBO	Community Based Organization
DN	Delivery Note
BoD	Board of Directors
GL	General Ledger
GoU	Government of Uganda
GRN	Goods Received Note
JV	Journal Voucher
LPO	Local Purchase Order
NGO	Non-Governmental Organization
ED	Executive Director
DP	Director Programs
DFA	Director of Finance and Administration
MT/MC	Management Team/Committee
FAARM	Finance, Audit, Administration and Resource Mobilisation
PV	Payment Voucher
PC	Procurement Committee
Ushs	Uganda Shillings

1. INTRODUCTION

1.0 Background

The Agency for Accelerated Regional Development (AFARD) is a local professional, not for profit Non-governmental development agency operating in West Nile. AFARD was formed in July 2000 by the young professionals of West Nile and is registered with The National NGO Board under Reg. No S.5914/3753.

1.0.1 Vision and Mission

AFARD's Vision is a **"Prosperous, Healthy and Informed people of West Nile"** and Its Mission is

"To contribute to the molding of a region in which the local people, including those who are marginalized, are able to participate effectively and sustainably undertake a lead in the development of the region".

1.0.2 Organizational Objectives

- i) To harness the knowledge, skills and experience of the development practitioners within the region and channel it for the accelerated, equitable and sustainable development of the region.
- ii) To act as a midwife, an interim link between the grass roots and the sources of new information, innovations expertise and the funds required for the type of development that places people firmly in the Centre of all development efforts.
- iii) To avail our expertise by way of consultancy to other development stakeholders interested in obtaining current, detailed, reliable and authoritative information about the region.

1.1 Objectives of the manual

The objectives of this manual are:

- i) To explain the accounting policies adopted by AFARD.

- ii) To describe the accounting procedures operated by AFARD.

- iii) To ensure uniformity in the application of AFARD's accounting policies and procedures.

- iv) To provide a reference or guide for auditors, consultants and other development partners/ stakeholders who may wish to understand AFARD's financial and administrative system and also assist in training new staff.

- v) To outline procedures that enhances adequate internal controls.

1.2 Review and updating of the manual

This document is meant to serve as a dynamic and practical guide to the financial operations of AFARD. It is therefore recommended that an annual review and/or update of this manual be carried out to reflect changes resulting from the expansion of the programme activities or changes in the needs of the organization.

1.3 Distribution of the manual

This manual should be distributed to the following categories of persons:

- i) The Board
- ii) The Executive Director (ED)
- iii) The Director of Finance and Administration (DFA)
- iv) All Staff of AFARD
- v) Donors
- vi) Auditors
- vii) And other -stake holders as applicable.

2. FINANCE AND ADMINISTRATIVE MANAGEMENT ROLES, RESPONSIBILITIES & STRUCTURE

2.0 The Board of Directors (BoD)

The BoD is responsible for overseeing implementation of budgets and work plans. The BoD shall review and approve the annual budget and work plan of AFARD. The annual budget shall include all funding and expenditures expected by AFARD for the following year. The BoD shall consider the annual financial statements of AFARD and shall receive comments from management with regard to audited accounts at the end of each financial year.

Detailed roles and responsibilities are as per the Board regulation guidelines.

2.1 Finance, Audit, Administration and Resource Mobilisation (FAARM) Committee

Purpose: To ensure that the Board of Directors provide leadership and direction in the effective mobilization, utilization, and accounting for all AFARD's resources.

Composition: The Committee will be composed of 2 Board members, the DFA, BDM, and ex officio members including the Board Chair, ED, and any -co-opted member as the Board shall deem fit. The DFA shall be the Secretary to the Committee.

Core tasks	Specific functions
1. Financial planning	Ensure that strategic and annual budgets are developed, reviewed, and approved, by the Board of Directors, timely in accordance with strategies and Annual plans (projects and operations)
2. AFARD Business Wing	Reviewing and recommending to the BoD for approval, annual business plan; and monitoring staff and business performance against set targets
3. Resource mobilization	Supporting the BoD and management in resource Mobilization to implement the strategic and annual plans
4. Risk management	Ensuring effective risk assessments are conducted periodically; risk mitigation plans are developed and implemented; and monitoring their implementation
5. Asset management	Ensuring there is an up-to-date asset register and effective utilization of assets
6. Human resource management	Ensuring adherence to the AFARD human resource policy in the recruitment, stay, development, and exit of staff
7. Internal audit	Reviewing periodically the effectiveness of the internal audit control system (including corporate governance, risk appropriate actions.
8. Quality control and compliance	Ensuring financial management is in compliance with Financial Management Guidelines, Human Resource Policy, and statutory obligations.
9. Financial reporting	Review of periodic financial reports and financial status in line with approved plans, budgets and financial policies and reporting biannually to the BoD on AFARD' financial health/status
10. External audit	Sourcing external auditors; reviewing their proposals; and recommending to the BoD audit firms to be hired to conduct independent audit; and thereafter reviewing the audit processes and findings (management letters) with consideration for robustness, objectivity and independence

2.2 Executive Director

The ED is the Accounting Officer of AFARD and shall approve all the individual payments for authorized activities of the agency. The ED shall approve all payments on a single invoice for the purchase of a product or service- for authorized activities of up to Ushs. 500 million. Cost beyond this amount shall be referred to the Board.

The ED assisted by DFA shall undertake the day-to-day financial operations of AFARD such as approval of payments. The ED shall ensure that all expenditure made or committed has been approved through the annual budget and the monthly/quarterly work plans.

An important feature of the financial control and management systems is the approval of activities before they are carried out by AFARD. In this regard, the departmental heads/program managers will be in charge of their budgets and will raise requisition for funds to carry out planned/budgeted activities. The accounts division shall through the Director Finance and Administration and Accountant play an important role in ensuring that before any commitment is made, they advise on whether there are sufficient funds for the activity.

Any expenditure incurred that is not part of the annual approved budget, and which is not pre-approved, will

be deemed unallowable. Within the year, some budget lines may be reallocated with the approval of the ED and endorsement by the Donor/ BOARD. Detailed roles and responsibilities are as per the Human Resource Policy.

2.3 The Director of Finance and Administration (DFA)

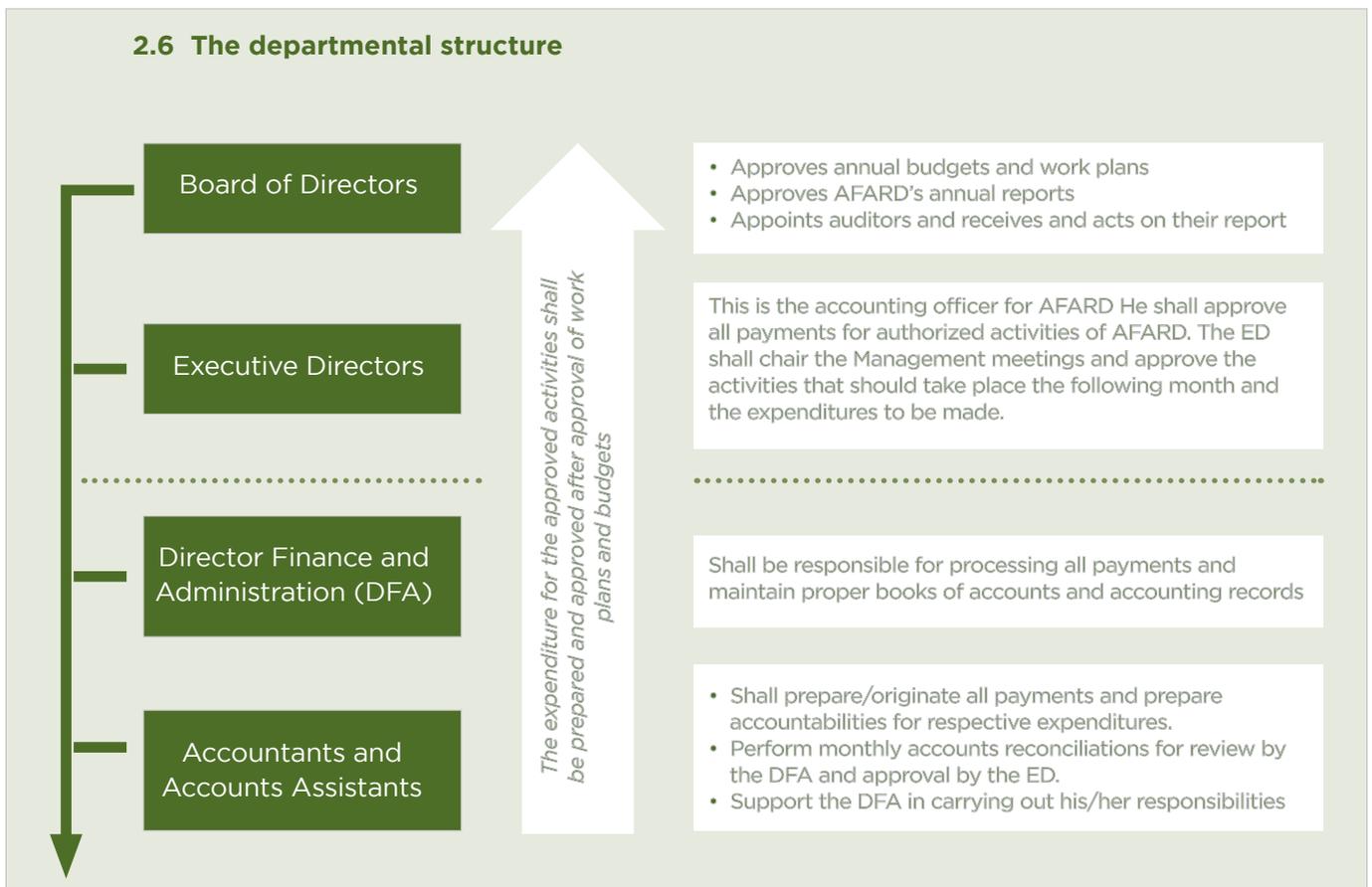
The DFA shall be responsible for consolidating departmental budgets, preparing the financial reports of the activities of AFARD for review by the ED and submission to the MT and BoD. Detailed roles and responsibilities are as per the Human Resource Policy.

2.4 The Accountant

The Accountant shall be charged with preparing all necessary documents to effect payments by cheque or petty cash. Detailed roles and responsibilities are as per the Human Resource Policy.

2.5 The Administrative Assistant

The administrative Assistant will be in charge of support and logistics of AFARD. The accountant may delegate the processing of petty cash transactions to the AA. Detailed roles and responsibilities are as per the Human Resource Policy.



3. FINANCIAL POLICIES AND PROCEDURES

3.1 Accounting system

AFARD prepares its financial statements under the historical cost convention on a going concern basis. AFARD will generally follow the accrual basis of accounting or a modified form thereof for key income and expenditure items. The financial statements are expressed in Uganda shillings.

3.2 Accounting period

AFARD shall maintain its accounting year from 1 January to 31 December. However, the accounting period of projects/programmes shall be in accordance with the agreements with the Donors of AFARD.

3.3 Accounting responsibility

Every person whose duty is to prepare the primary documents is personally responsible for completeness and accuracy.

An officer who signs or countersigns any primary documents, accounting returns or certificate is personally responsible for the facts stated therein so far as it is his/her duty to know or to the extent to which he/she may reasonably be expected to be aware of them.

3.4 Significant accounting policies

3.4.1 Basis of accounting

AFARD shall maintain its books of accounts and records on historical cost convention in accordance with International Financial Reporting Standards (IFRS), Generally Accepted Accounting Principles (GAAP) on a going concern basis and in compliance with the Country laws and regulations. Programme or project accounts will be accounted for in accordance with donor guidelines in relation to respective Budgets. The Head Office shall maintain records of all treasury and management functions.

For implementing partners or CBOs, all cash balances, including those held for programmes shall be held by the Head Office and transferred to programmes as required. Balances between projects are eliminated upon consolidation for the purposes of presentation of the financial statements.

3.4.2 Classification of Donor funds/ grants

AFARD's accounting records and financial statements

shall be maintained and presented in accordance with the principles of fund accounting. In this procedure resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

According to nature, funds have been classified within/ either into two net asset categories- temporarily restricted and unrestricted.

3.4.2.1 Temporarily Restricted

Net assets subject to donor-imposed restrictions that permit AFARD to use or expend the assets as specified. The restrictions are satisfied either by the passage of time and or by actions of AFARD. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, any balances of temporarily restricted net assets are either returned to donors in accordance with donor agreements or utilized consequent to donor and management agreements on a temporarily restricted or unrestricted basis.

In cases where restrictions expire, the Management of AFARD subject to donor requirements shall determine the reclassification of assets from temporarily restricted net assets to unrestricted net assets through transfers.

3.4.2.2 Unrestricted

Net assets falls under the category of unrestricted that are not subject to any donor-imposed restrictions or which arise from internally funded activities.

3.4.3 Income

3.4.3.1 Grant income

Grant income shall be recognized in the period in which it is earned.

All donor funds received shall be initially recorded at cost in the deferred Grant income account. Grant income shall be recognized to the extent of the donor expenses incurred within a reporting period.

The funds used to acquire assets shall be recorded under deferred capital grants. Consequently, an equivalent to depreciation charged on donor funded fixed assets shall be transferred to grant income.

All donations in Kind shall be recognized in the Financial Statements of AFARD. In case of ongoing projects and programmes for which funding has been agreed but the expenditures that are yet to be funded shall be recognized as grant receivable.

For completed and phased out projects and programmes, any remaining Donor Fund balances are returned to Donors or utilized in accordance with arrangement between donor and the management.

3.4.3.2 Interest on Bank Accounts

Revenue is recognized as the interest accrues unless receipt is in doubt.

3.4.3.3 Other Incomes

All other incomes are recognized when AFARD's right to receive such income has been reasonably determined and all conditions precedent are satisfied.

3.4.4 Expenses

Expenses shall be recognized in the period in which they are incurred in accordance with AFARD's financial budgets and work plans. Expenses incurred but not paid for shall be recognized as expenditure in the period in which it was obligated. AFARD Head Office expenses shall be allocated to various projects and programmes based on agreement with the donors.

Bank charges or interest paid for transferring/ receiving any amount shall be charged to the particular programme/ project for which the amount was paid/ received.

3.4.5 Fixed assets

Fixed Assets shall be initially stated at cost less accumulated depreciation.

The ownership of all the fixed assets shall be in the name of the organization if that is not contradictory with the requirement of donors relating to any specific projects.

All the fixed assets shall be recorded in the Organisation's Fixed Assets Register on purchase and identification marks or asset tags are fixed accordingly.

3.4.6 Depreciation

Depreciation shall be provided for on straight line basis over the estimated useful lives at the following annual rates and be recorded in the Fixed Assets Register.

Item	Estimated Useful Life (Years)	Annual Depreciation Rate (%)
Land	-	0
Buildings	20	5
Furniture and Fixtures	8	12.5
Equipment	8	12.5
Vehicles	5	20
Motor Cycles	5	20
Computers	3	33.3

3.4.7 Revaluation of fixed assets

AFARD shall initially recognize land at cost. Subsequently, land shall be carried in the books of accounts at revalued amounts. The organization shall ensure that the revaluation is done on a regular basis i.e. once after every five years by a professional valuer.

The related revaluation reserves shall be recorded in the statement of comprehensive income under other comprehensive income.

3.4.8 Foreign exchange transactions

Expenditures incurred in foreign currencies in a month shall be translated into Uganda Shillings (Ushs) at an average exchange rate at the end of that month for facilitating the preparation and presentation of financial statements and other reports. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated into Ushs at exchange rate prevailing at that date.

3.4.9 Maintenance of accounting records

DFA ensures proper maintenance of accounting and financial records, and other essential records, their protection from damage (by fire or other means) and unauthorized access or removal. Further, the finance staffs shall ensure, where appropriate, that the copies of records and cheque Books and cash are kept in safe custody. From the date of last transaction, all records will be preserved for the period as required by the respective donors and AFARD's own policy in this purpose

3.4.10 Opening of bank accounts

- i) AFARD shall prefer banking transaction in case of payment, receipt and remittance where banking facilities are available. For this, AFARD may open required number of Bank Accounts in Nebbi and other Districts of Uganda.
- ii) Resolution shall be made to open new accounts with banks. Signatories of the bank accounts shall also be approved in writing by the Board.

3.4.11 Operational procedures for bank accounts

- i) AFARD management shall designate persons of whom the ED and DFA of AFARD shall be one to operate the bank accounts.
- ii) Employees authorized to sign cheques shall be documented and notified to the bank.
- iii) The Bank accounts of AFARD are to be operated through joint signature, where signature of the ED or any person duly approved by the ED in this regard is mandatory.

- iv) Monthly Bank Reconciliation Statement shall be prepared by Finance and Accounts Department, which shall be reviewed, approved and signed by the DFA.
- v) All grants received shall be deposited in an independent project Account for smooth and better functioning of program activities.
- vi) When a cheque Book is collected from the bank, the Finance and Accounts Department shall make an entry in the cheque register mentioning the number of cheque leaves.
- vii) Cancelled cheques should be marked as “canceled” by the Accountant and should be kept in the safe for subsequent review and this should not be more than 6 months.
- viii) Ensure that all Bank records are stored securely so that no unauthorized person has access to confidential information and sample signatories to minimise the risk of fraud.

3.4.12 Mobile Money

AFARD will establish designated mobile money accounts to be used to make payments which have gone through the normal transaction approval processes depending on the nature of transaction. These mobile money accounts shall have the same payment approval controls and rights similar to those of bank accounts.

A transaction advice or proof of payment shall be printed out, initialed, signed by the accountant, DFA/ED and attached to a payment requisition as part of the accounting support documents for each payment.

At the end of every month, a mobile money account reconciliation shall be performed by the Accountant, reviewed by the DFA and approved by the ED for each account.

4. PLANNING, BUDGETING AND BUDGETARY CONTROLS

4.0 Work Plan

Effective planning is a key determinant of AFARD's success. The work plan details the activities, time frame and resources required for implementation. AFARD work plan shall be prepared annually for the period running from January to December, and then submitted to the BOARD for approval. The work plan of the following year shall be prepared in December of the current year.

Each department shall prepare plans for the next 12 months indicating:

- a) Mandate of the department within the overall context of AFARD
- b) Objectives and activities sought by the department
- c) How objectives shall be met
- d) Who is responsible for ensuring that the Organisation's objectives are met
- e) When objectives in the 12 months' period will be met i.e. work plan

Departmental work plans shall be consolidated into an organization's work plan to be reviewed by the MT quarterly to check whether implementation is going on as scheduled and targets are being met.

4.1 Budgeting

A budget is a financial statement prepared prior to a defined period specifying the revenue and expenditure policies to be pursued during that period in order to attain an organization's objectives. The budget sets performance objectives and offers means for comparing actual performance against planned objectives and also facilitates managerial monitoring and supervision.

4.1.1 Budget period

The budget period shall be one year running from 1 January to 31 December of a given calendar year.

4.1.2 The key objectives of budgets are to:

- Implement AFARD's operational policies.
- Focus AFARD's activities and review performance.

Provide a mechanism for obtaining donor funding.

Provide an aid to decision making through control and monitoring of expenditure against activities.

Secure efficient and economical administration of AFARD.

Set standards and provide means of gauging the extent of their success.

In order to ensure that budgets are rationally organised, transparent to all concerned parties and relatively easy to use, the following fundamental principles shall be adhered to:

- i. Budgets shall be realistic and shall include realisable revenue and the anticipated full costs of the activities.
- ii. Expenditures shall be reported by functional type to show separately amounts spent on salaries, personnel emoluments, materials, maintenance etc. (according to AFARD's account codes).
- iii. All capital expenditure shall be listed separately.

A cash flow budget presenting detailed estimates of cash inflows from all sources, cash outflows for all purposes and cash balance at the end of each month and at the end of each year shall be prepared by the finance department.

4.2 Approval of Budgets and Work plans

In December each year, AFARD secretariat shall submit a work plan and budget to the Board for approval. The approved work plan and budget shall become the instrument to authorize the implementation of AFARD planned activities for the subsequent calendar year.

4.3 Budget Review and Monitoring

Budget monitoring involves matching and comparing cumulative expenditure to the budget as per the approved budget line items. Budget monitoring shall be done at the end of every month by the programme team.

5. CLASSIFICATION OF ACCOUNTS

5.0 General Ledger codes

The Finance department shall develop a Chart of accounts which shall be a list of the approved account lines for the various budget lines.

5.1 Classification/Activity Codes

A Unique digit classification code will be used for budgets and expenses. The digit shall include characters which will be used for Donor identification.

5.2 Books of accounts

AFARD shall keep the following records and books of accounts:

5.2.1 Payment Vouchers

These will be used for all costs incurred, and should be approved and authorized by the DFA and ED respectively.

5.2.2 Cashbook

All AFARD financial transactions shall be recorded in an accounting software. A separate cashbook shall be created for each bank account. The cashbook shall be analyzed along with expenditure lines as per the chart of accounts and classification codes. All entries shall be entered sequentially by voucher /cheque number

5.2.3 Advance Ledger

All advances to individuals shall be recorded in the advances ledger indicating the name of the individual to whom money has been advanced and the accountability of this advance.

5.2.4 General Ledger (GL)

The GL shall be maintained with cost headings, which are consistent with the approved budget lines.

5.2.5 Journal Voucher (JV)

JVs shall be used for posting transactions not captured in GL such as adjusting entries to the GL. Each JV shall be fully supported with adequate explanation for the reconciling items.

5.2.6 Bank Reconciliation

Bank reconciliations for each bank account shall be prepared at the end of each month with adequate explanation for the reconciling items.

The accountant shall investigate, resolve and clear all reconciling items by the end of the month.

5.2.7 Monthly Trial Balance (TB)

The organization shall perform a monthly GL close at the end of each month to ensure that all the month's transactions are posted.

A TB shall be extracted from the GL at the end of each month.

5.2.8 Support Documentation

All support documentation shall be maintained and attached to each transaction.

5.3 Requisition for Funds

5.3.1 Fund Request

When the work plan and budget is approved, a request for funds shall be processed as stipulated in the respective donor agreements and or as prescribed in this manual.

5.3.2 Cash-flows

Cash flow projection shall be made by each department at the end of every quarter for the following quarter. This forecast will enable the ED/DFA request for funds in good time in order to avoid Cash flow problems.

6. RECEIPTS

6.0 Acknowledgement

On receipt of funds, a letter of acknowledgement shall be made by the DFA who will issue an official receipt for the funds received. The letter and receipt shall be sent to the respective development partners and copied to the ED. The ED will in turn notify other stakeholders about the funds transfer.

6.1 Banking

All local receipts of funds shall be banked intact in AFARD accounts within 2 working days of receiving it. The Accountant shall be responsible for banking funds in the bank accounts.

The accountant shall then update the cashbook accordingly with the receipt or transfer received.

7. PAYMENTS

The objective of the payments process is to ensure that all expenditure have been:

- i) approved through the budget,
- ii) supported by valid user requisition, purchase order, delivery note/proof of delivery of goods or services rendered
- iii) properly approved and authorized

iv) Accounted for or refunded

Critical aspects of the payments process include: authorization, approval, support documents, preparing cheques, signing of cheques, issuing of cheques, initiation and approve of EFTs/RTGSs or Mobile money transfers, acknowledgement of payments, and filing accounting documents.

These procedures are outlined in the table below

Table 2: Payment Procedures

Reference	Procedures	Responsibility
(i)	Payment Requisition and approval of funds to carry out an activity	Staff DP, ED
(ii)	On receipt of approved documents for payments: <ul style="list-style-type: none"> • confirm that all the documents are originals. Copy or photocopies should not be accepted • check that invoice is supported by adequate documents i.e. LPO, DN, GRN, purchase initiation form (from the user department) • confirm that invoice has been approved by the DP • confirm availability of funds • prepare payment requisition voucher for approval by the DFA, DP and ED. 	Accounts Assistant (AA) ACT
(iii)	Review the documents and sign the payment requisition voucher	ED and DP or DFA
(iv)	<ul style="list-style-type: none"> • Write cheque and attach to documents. • Initiate an EFT/RTGS, mobile money transfer and attach the payment advice 	ACT
(v)	<ul style="list-style-type: none"> • Review documents and sign the cheque for payment. • Approve online payments (EFT, RTGS or mobile money transactions) 	ED /DFA/DP
(vi)	stamp the payment voucher “paid”	AA
(vi)	issue the cheque to the payee, Payee should evidence the cheque receipt by issuing an official receipt, or if payee is AFARD employee, sign the payment voucher/register. update AFARD cashbooks	
(vii)	For electronic payments, print and attach payment advices/slips from online banking system/mobile money account	

7.0 Requisition for Payment

The requisition for payment shall be done by the programme officer / field officer, reviewed by the ACT and approved by DFA/DP and ED respectively. All the payment supportive documents; request for payment, quotations, analysis of quotations, invoice and delivery notes shall be attached.

7.1 Approval of Payment

The approval of payments shall be done by the ED after checking that all the payment procedures have been complied with. The ED shall sign the requisition for payment and payment vouchers. All payments by the ED should be approved by the DFA/DP or any other member of management in line with the procedures above.

Payment initiated by ED shall be approved by the DP/ DFA and shall follow the rest of the procedures in Table 2.

7.2 Documentation

The documentation of payment shall be done by writing of a payment voucher. The description on the payment voucher shall fully describe the transaction being paid for. All necessary and relevant information shall be included to make the documentation complete and self-explanatory.

7.3 Preparing Cheques

When approval of a payment has taken place, a cheque shall be written by the ACT.

7.4 Signing of Cheques and Electronic payment mandates

There shall be two categories of signatories namely; category A (ED) and Category B (DP and DFA). The payments approval mandates are as follows;

1. Any two of category A and B or category B can sign a cheque or approve an online transaction up to Ushs. 20 million.
2. For transactions over Ushs. 20M, authorization in writing has to be obtained from the ED
3. Any transaction over Ushs. 500M, authorization in writing has to be obtained from the Board of directors

7.5 Issuing of Cheques

Signed cheques shall be handed over to the AA to issue them out. S/he shall call the payees and inform them to pick their cheques and bring along receipts for acknowledgement of payments.

7.6 Acknowledgement of Payments

Third party receipts are to be issued in acknowledgement of payments. These are to be attached to the support documents and filed. A register acknowledging payments shall be kept.

7.7 Filing Accounting Documents

Payment vouchers and support documents shall be filed in a file serially. Separate files shall be kept for each bank account and petty cash account.

7.8 Petty Cash Imprest System

7.8.1 Objective

The objective of a petty cash imprest system is to facilitate cash payments and keep records of these payments separate from the bank cashbooks.

7.8.2 Delegated Authority for Petty Cash Imprest

The ACT has responsibility to ensure that all payments made from the petty cash imprest are authorized. However, in the interest of efficiency, reality and smooth running of AFARD, he/she may delegate appropriate authority for the handling of imprest to an Administrative Assistant. However, such delegation shall be in writing.

7.8.3 Advance Payments

Advance payment may need to be paid to AFARD's own staff for personal or work related purposes. The procedures of how to recover this advance should be spelt out at the time of making the advances.

7.8.3.1 Salary Advance

AFARD's staff may apply for a salary advance before the pay date. Salary advance must be recommended by respective Heads of Department and must be approved by the DFA and the ED. The salary advance must be fully repaid within 3 months and in the same financial year. For the amount, the provision in the HR Manual shall apply.

7.8.3.2 Work Advance

AFARD's staff may be given a working advance for implementation of project activities. This shall be accounted for within 5 working days after completion of activity.

7.8.3.3 Approvals, Processing and Settlement of Advance

For making and recovery of advances the following procedures shall be followed:

- (i) The Heads of Departments shall approve work related advances. The DFA shall approve all salary advances.

- (ii) Advance shall be provided only against filled Cash advance form duly approved by the concerned Departmental head and ED;
- (iii) No Additional advance shall be provided where a previous advance has not been retired or accounted for.
- (iv) An advance register shall be maintained to record the party-wise advance payments and corresponding adjustments. All advances shall be recorded in separate advance account maintained for each staff.
- (v) For work advances, a staff shall carefully prepare the expenditure details against the approved claim. She/he will ensure that expenses are dated, itemized and referenced.
- (vi) Original receipts, that is, ticket, boarding pass, or receipts for taxi fares, and hotel bills wherever applicable, shall be appropriately numbered and attached. Claim for food allowances shall be calculated as per rule of AFARD.
- (vii) Finance and Accounts department shall prepare a monthly statement of outstanding advances. DFA shall review the outstanding advances and take action to adjust /realize the outstanding balances.

Adequate provision should be created against doubtful and bad advances.

- (viii) Irrecoverable advances shall be written off after approval from the Board of Directors.

7.8.3.4 Accounting for Work advances

All advances shall be accounted for within five (5) days of completing the activity in the field.

Where a staff member fails to account for advance within the stipulated time, no further advances shall be made to him/her and the full amount shall be deducted from the individual's salary at the end of the month without notice. Where the salary is not enough to cover the advance, the deductions shall continue until the amount advanced is recovered in full. In addition, the member of staff will be required to explain to the Executive Director in writing why the advance remains unaccounted for.

7.8.3.5 Responsibility

DFA shall ensure the recovery of all outstanding advances and in doing so; he/she shall ensure the followings actions.

- a. Review the advances
- b. Issue of reminder notices where necessary;
- c. Report to the ED on status of various advances on a monthly basis
- d. Consult with the ED in cases of doubtful debts

Table 3: Accounting for Advances

Reference	Process	Responsibility
(i)	Complete Advance form requesting for advance. Work advances shall be supported by the approved work plan and budget.	Individual
(ii)	Confirmation that the activity is approved Check the completed form for accuracy and consistency with approved plan and budget.	DP
(iii)	Check to ensure that amount requested is reasonable.	ACT/DFA
(iv)	Check to ensure that all previous advances to the applicant have been cleared.	
(v)	Confirm availability of funds Authorize payment	
(viii)	Record payment in the GL	ACT
(ix)	As soon as activity is concluded, submit full accountability of advances which should include: <ul style="list-style-type: none"> • Receipts in support of transactions • Receipts in support of other payments made in accordance with the approved budget and work plan. • Completed Expense form to support claim. • Surrender any balance or amount due and obtain a receipt. 	Individual

(x)	Review and check expenditure incurred	DP/DFA/ ACT
(xi)	Approve expenditure chargeable against activity budget.	
(xii)	Approve any expenditure over the amount budgeted as a legitimate cost chargeable against the budget. (Evidence with signature on appropriate documents.)	
(xiii)	Check accountability for accuracy and relevance against the budget.	ACT/DFA
(xiv)	Confirm that the amount refundable/due is correct.	
(xv)	Issue receipts for refunds or prepare a payment voucher to pay for over expenditure and submit for authorization.	
(xvi)	Prepare journal voucher to clear advance	
(xvii)	Update the general ledger through the journal voucher.	
(xviii)	Any refund must be reimbursed to the project account from which the payment was made.	

8. REPORTING

8.0 Purpose of Reports

Project reports compare the progress of implementation with what was planned at the activity and output level of the work plan.

Project reports are management tools that:

- (a) ensure that project funds are used effectively and efficiently, within the agreed time frame and budget;
- (b) project reporting should be seen as an integral part of the project's activity, supported by periodic monitoring and review

Management review is therefore exercised through receipt of timely operational and financial reports and these include monthly, quarterly and annual financial and progress reports.

Financial information generated from the accounting system shall include:

- (a) cash balances available for immediate use,
- (b) outstanding payments/commitments,
- (c) outstanding advances,
- (d) activity expenditure reports,
- (e) Income and expenditure.

On an annual basis, final accounts will be prepared by the DFA for audit.

8.1 Document retention period

AFARD requires that financial supporting documentation must be maintained for a minimum of seven (7) years.

8.2 Monthly Reports

A monthly financial report shall be prepared within 05 days after the end of the previous month and submitted to the Management Team (MT).

The financial report shall include:

- (a) Monthly budget performance report (Budget against Actual analysis) including explanations of key drivers for the performance.

(b) Monthly income and expenditure report showing:

- i. Amounts received
- ii. Amounts spent
- iii. The balance in cash and bank account
- iv. Advances outstanding

8.3 Annual Reports

The DFA shall prepare and submit annual accounts to the MT/Board. The annual accounts shall be prepared within 3 weeks after the end of the financial year.

The DP shall prepare annual progress reports, which together with the financial report, will be consolidated into an annual report for AFARD. The annual report will be circulated to all AFARD stakeholders.

8.4 Quarterly Progress Reports

Progress Reports show the status of program implementation against work plans, giving full reasons if progress is not proceeding as planned.

By the 15th day following the end of each quarter, the DP will prepare progress reports and submit to the MT. Such reports will cover:

- (a) A summary describing programme implementation status
- (b) A summary of major issues
- (c) A summary of progress in the quarter
- (d) Major problems and constraints
- (e) Overview of the quarter
- (f) Assessment of output against targets of the quarter
- (g) Key changes
- (h) Plan for the next quarter
- (i) Project/Programme Completion Reports

8.5 Project/Programme Completion Reports

At the end of each project implementation, a project completion report shall be prepared by the DP and DFA for review and approved by the ED.

The following procedures shall be followed in preparing financial reports.

Table 3: Accounting for Advances

Reference	Reporting Process	Responsibility
(i)	<p>At the end of the month (GL Close Process)</p> <ul style="list-style-type: none"> a. Generate a checklist of all monthly journals to be posted and ensure that these are processed in the accounting system before the end of each month. b. Before the month ends, run a preliminary TB and validate transactions posted in the General Ledger c. File all approved vouchers and other documents, d. Reconcile the cashbook balances with bank statement and cash in hand, e. Generate a final trial balance by the 5th of the Subsequent month <p>Prepare schedules of:</p> <ul style="list-style-type: none"> f. Uncleared commitments as at the end of the month, g. Outstanding payments, h. Outstanding salary advances, i. Outstanding imprests, j. Summary analysis of cash payments from the imprest. <p>Prepare financial reports showing actual costs and budgeted amounts.</p> <ul style="list-style-type: none"> k. Programme expenditure report, l. Income and expenditure report, m. Major activity report 	<p>ACT/DFA</p> <p>ACT/DFA</p> <p>ACT/DFA</p>
(ii)	<p>Prepare narrative report of:</p> <ul style="list-style-type: none"> n. activities completed and impact, o. explanations of all activities delayed, p. Explanation for budget/expenditure variance of +/- [5%]. q. Review and certify the above schedules and reports <p>***At the end of the year</p> <ul style="list-style-type: none"> a. Prepare annual accounts and report for audit, b. Fund balances shall either be restricted or unrestricted at the year-end; c. Restricted balances shall be committed for activities in the following year d. Un restricted balances shall not be committed at the year end. <p>Verify physical existence of assets and stores</p>	<p>DP/PC</p> <p>DFA</p> <p>ACT/DFA</p>
(iii)	<p>At the end of the project/programme</p> <p>Prepare a statement of receipts and payments,</p> <ul style="list-style-type: none"> e. A narrative report of activities in support of the payments, f. Any remaining Donor Fund balances are returned to Donors or utilized in accordance with arrangement between the donor and the management. g. Submit documents to respective recipients. 	<p>PD, ED</p>

9. AUDIT

9.0 Audit preparation

Audit preparation shall be done to ensure that all supportive documents are checked and verified to be complete and ready for audit. The DFA/ACT will carry out this exercise a month before the audit, which will be conducted in between February and March each year.

9.1 External Audit

An External audit shall be conducted by a reputable firm for the purpose of giving an independent assessment of the accounts, financial reports and the systems as a whole. Clear terms of reference shall be developed by the Board prior to the audit.

9.2 Internal Audit

The organization shall prepare an Annual Internal Plan to be implemented on a quarterly basis. Internal audit is carried out to help the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. Internal Audit provides independent assurance to the Board and senior management of

the organization about the soundness of the internal controls, safety of assets and financial soundness. The Internal Auditor shall report to the board on a quarterly basis.

The Internal Audit function should be independent of Management. The function may be in house or outsourced.

The Organisation shall develop an Internal Audit Charter that shall be approved by the Board.

9.3 Investigative Audit

An Investigative audit - a detailed and thorough audit done when it has been called for, shall be conducted when there is suspicion that the funds are not well managed or when the auditors feel that a substantive audit need to be conducted to verify certain findings. Investigative audits shall be authorized by the Board.

9.4 Close out Audit

A Close-out audit shall be carried out for all ending projects/programmes in accordance with donor requirements.

10. PROCUREMENT AND DISPOSAL

10.0 Objectives of Procurement System

The objectives of a good procurement system are to ensure that:

- (a) All procurements made are properly authorized, within the approved budget and that funds are available to meet the costs to be incurred,
 - (b) Maximum value for money is obtained on all procurement of goods and services provided.
 - (c) Procured goods and services to be delivered in the correct quantity and quality in a timely manner.
 - (d) Provide consistency in the procurement, management and disposal of AFARD's assets.
 - (e) Obtain value-for-money in favor of AFARD during the process of procurement and disposal of AFARD's assets.
 - (f) Ensure durability of existence and usability of AFARD's assets.
 - (g) Ensure that the assets/facilities of AFARD are used for the purpose of achieving the overall goals and objectives of the organization.
 - (h) Enhance sustainability/replacement of AFARD's Assets.
 - (i) Conduct periodic inspections of the records of proceedings of procurement, operation, maintenance and disposal in AFARD to ensure full and correct application of this guideline/policy.
 - (j) Establish and maintain institutional linkages with entities with professional and related interest in public procurement, operation, maintenance and disposal of assets as a capacity building and networking strategy in AFARD.
 - (k) Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices in AFARD.
- conducted in accordance with the basic principles set out in this guideline.
- (b) There shall be no exclusion of any bidder in AFARD's procurement and disposal of Assets on the basis of nationality, race, religion, gender, political inclination or any other criterion not related to qualification, except to the extent provided for in this guideline.
 - (c) The promotion of transparency, accountability and fairness will be the purpose of all AFARD's procurement and disposal decisions and practices.
 - (d) All AFARD procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money
 - (e) AFARD shall use Selective or Restricted bidding as the preferred mode of procurement and disposal depending on the nature of procurement.
 - (f) A contract shall be awarded to the bidder with the best evaluated offer ascertained on the basis of the methodology and criteria detailed in the bidding documents.
 - (g) Avoid emergency procurements and disposals wherever possible as it has an element of highhandedness;
 - (h) Aggregate its requirements wherever possible, both within the procurement and disposing entity and between procurement and disposing entities, to obtain value for money and reduce procurement costs;
 - (i) Make use of its operational timeframe contracts whenever appropriate to provide an efficient, cost effective and flexible means to procure works, services or supplies that are required continuously or repeatedly over a set period of time;
 - (j) Avoid splitting of procurements or disposals to defeat the use of appropriate procurement or disposal methods i.e. avoid successive bidding;
 - (k) Integrate procurement budget with expenditure programme i.e. draw a consolidated procurement plan; and
 - (l) Integrate the disposal of assets both listed and unlisted in Assets Register/Assets Inventory as well as in Income and Expenditure Budget.

10.1 General guidelines for procurement

Categories of procurement of goods and service include:

- (a) All AFARD procurement and disposal shall be

10.2 Procurement process

10.2.1 Procurement Planning

On an annual basis, the organization shall prepare a Procurement Plan clearly indicating the goods or services foreseen for procurement and the scheduled timing. This Procurement Plan should be developed in line with annual activity and finance Budgets. The procurement Plan should be approved by the Board together with the annual Financial Budgets.

10.2.2 Initiating Purchases

The respective AFARD departments shall initiate purchases by filling in an internal purchase requisition form Appendix 15.0 in reference to procurement Plan.

All procurement actions shall ensure that:

- 1) Procurement and disposal demands are properly planned by staff members.
- 2) Except for the purpose of Emergency, any request for procurement or disposal shall be required to be planned within 2-4 weeks by the DP/DFA and approved by the ED.
- 3) Heads of User Departments draw quarterly departmental procurement plans in line with the Annual procurement plan and submit them to the ED for review.
- 4) The ED examines the request against the work plan and forwards it to the DFA for examination against the budget.
- 5) If the DFA and the ED are satisfied with the necessity, appropriateness and financial feasibility of the requested procurement, then the ED shall approve the procurement request and subject it to further procurement or disposal procedures as is detailed in this guideline.
- 6) It is upon the above that Bid Documents are prepared.

10.2.3 Supplier Sourcing

The choice of a procurement or disposal method shall first be approved by the Procurement Committee.

The Top and Middle managers shall constitute itself into a Procurement Committee. They will also decide on what choice of method for the procurement of any works, goods and services exceeding the value of Ushs 50 million.

However, the Board may create a select committee as may be appropriate for a particular procurement

Except as provided for in this Guideline AFARD shall use the open and competitive bidding method.

- i. Open bidding: is a procurement or disposal method which is open to participation on equal terms by all providers through advertisement of the procurement or disposal opportunity.
- ii. Restricted Bidding: Restricted bidding is the procurement or disposal method where bids are obtained by direct invitation without open advertisement. This method shall be used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit the open bidding procedure.

10.2.4 Supplier Selection

The suppliers selected will be evaluated on cost, quality and timeliness.

Obtaining Quotations

The procurement officer after obtaining an approved Purchase Requisition form (PRF) shall send out a request for quotations (RFQ) as per section 15.4 Request for Quotations template to the suppliers on the pre-qualified supplier's list. The procurement officer should ensure sufficient documentation of all requests for quotations.

Evaluation of Supplier Quotations. Bids, Tenders and Quotations shall be received and evaluated by the Procurement Officer/Procurement Committee on the basis of the above criteria and documented in the *Supplier Quotations/tender Analysis Form appendix 15.2*. Normally the Low cost supplier with appropriate quality shall be selected.

For all procurements above Ushs, 50million, and the Procurement Committee evaluation shall be reviewed by the Director of Finance and Administration (DFA) and approved by the ED. However, the board shall be required to approve all procurements above Ushs 500million.

Local Purchase order (LPO)

After the supplier has been selected, the procurement officer shall raise an LPO which shall be signed off by DFA/DP and the ED before being submitted to the supplier.

Goods Receipt

Once items have been delivered by the supplier, the user department shall inspect them in compliance with the quality and other specifications. This shall form a basis for a store keeper/Recipient raising a Goods Received Note (GRN) which shall be signed by the supplier, store keeper and the verifying team from the user department. The GRN's should be used to update bin cards as and when applicable.

The GRN shall be filled in triplicate; one is given to the supplier, another to be attached to the invoice and sent to Finance and the 3rd copy should be retained in the stores records.

Before accepting the goods, the store keeper/recipient shall check them against the goods delivery note (GDN) and the LPO.

Invoices

Invoices shall be received by the Accounts Assistant, recorded and verified for onward forwarding to Accountant for payment processing.

10.3 Supplier Pre-qualification

AFARD shall advertise once every two years to invite suppliers to apply for inclusion in the Suppliers Database (for Pre-Qualification). AFARD evaluates new and existing suppliers using the standards below and any additional standards as may be determined by the Procurement Committee.

Suppliers are reviewed, either in terms of spend or critical material. The five main points to review with the supplier are:

- competitiveness
- quality
- delivery time
- communication
- After sales support.

The evaluation of bids shall be done by the Procurement Officer/Procurement Committee reviewed by the DFA and approved by the ED. After the selection has been completed, the DFA shall in writing communicate to both the unsuccessful and successful bidders.

The procurement officer shall maintain a database of all AFARD pre-qualified suppliers

The suppliers' database contains the following information:

- full name, address, telephone & email
- goods and services to be supplied, product information
- supply information (quality, delivery time, payment terms and after sales service etc.)
- details of packing and shipping facilities
- notes on management data and historical data
- references
- Results from previous quotations and comments on past performance.

10.4 Direct procurement or disposal

- a) This is a sole source procurement or disposal method for procurement or disposal requirements

where exceptional circumstances prevent the use of competition.

- b) Direct (micro) procurement or disposal may not be used for goods exceeding the value of Uganda shillings Five million (5,000,000) only.
- c) AFARD shall use direct (micro) procurement or disposal to achieve efficient and timely procurement or disposal, where the circumstances do not permit a competitive bidding method of procurement like in Emergencies.
- d) The detailed procedures for selection of service providers shall be prescribed by regulations set by the Board of Directors.
- e) Any disposal of assets must be in line with donor agreements where applicable.

10.5 Emergency procurement

In exceptionally unavoidable, circumstances AFARD may carry out emergency procurement from a single source while taking due care. The circumstances may include the following:

- (i) Medical emergencies
- (ii) Other lifesaving emergencies
- iii) Natural disaster responses, etc.
- iv) Any other procurements influenced by factors not under the control and planning of AFARD.

All Emergency procurements must be cleared by the ED in writing and clear justification must be documented on the Single Sourcing Justification Form Appendix 15.3.

Note: Lack of proper planning by AFARD shall not be considered an Emergency.

10.6 Other disposal methods

Disposal of AFARD assets may also be by way of the following methods.

- (a) Public auction where the professional valuation of an individual asset or lot does not exceed the value stated in the guidelines. In this case the BOD shall appoint a competent Board of Survey that shall assess the book values of the assets upon which Reserve Price may be set.
- (b) Direct negotiation: Where disposal on the open market would raise legal or human rights issues and the consideration received is not less than the professional valuation; Direct negotiation shall be the most acceptable disposal method;
- (c) Destruction of assets where there is no residual

value or no grounds of national security or public interest, item found to be obsolete or at zero value;

- (d) Conversion or classification of assets into another form for disposal by sale such as scrap metal or land fill; Trade-in; and Transfer to another procurement and disposing entity.

10.7 Statement of procurement or disposal requirements

Procurement or disposal requirements shall include the following elements:

- (a) Specifications;
- (b) Terms of Reference (TOR)
- (c) Scope of works;
- (d) Drawings;
- (e) Bills of Quotations; or
- (f) Their equivalent as may be appropriate; giving a correct and complete description of the object of the procurement or disposal activity for the purpose of creating fair and open competition.

10.8 Tendering

- (a) The Procurement Committee shall use the standard documents approved by the Board of Directors as models for drafting all solicitation/bidding documents for every procurement or disposal requirement.
- (b) All bidding documents shall:
 - i. Detail the terms and conditions, which shall apply to the resulting contracts; and
 - ii. Contain the method of contract, or a statement of the method of contract which shall apply.
 - iii. The method of contract shall not be modified except through: Special conditions inserted into solicitation documents or contract as an addendum.

10.9 Procurement Committee - composition

- i) Programme Staff representative
- ii) Procurement Officer or equivalent
- iii) Administration Representative
- iv) Heads of Department making the requisition
- v) Any other co-opted staff or any other member to represent special interests

A quorum of three including the user department staff representative/technical staff must be present at each meeting.

All procurement committee members must declare

their independence and excuse themselves in case of any conflict of interests prior to each meeting. An independence declaration must be signed prior to each meeting.

Note: The Director Finance and Administration (DFA), Director Programmes (DP) and the Executive Director should not be part of the procurement committee.

The cardinal principles of competitive tendering shall be observed in all procurements to ensure that AFARD gets the most reasonable prices and quality. All procurement transactions shall result in the selection of a vendor whose bid is the most advantageous to AFARD.

For local procurements, tenders/quotes shall be stated in Uganda shillings. Quotations for international procurement shall be in foreign Currency. As much as possible, emergency procurements shall be avoided.

10.10 Bid Notice and Submission of Bids:

- a) The bidding period shall be sufficient to allow bidders to prepare and submit their bids and shall not be reduced with the aim of limiting competition.
- b) Bid notice shall be advertised as widely as possible.
- c) The bidders shall be required to submit sealed bids unless otherwise provided for in this guideline or regulations made under this guideline.
- d) Where the Procurement Committee finds it necessary it may extend the closing date to enable bidders to take addendum or any other change fully into account while preparing their bids. Hereafter, no more bids shall be received.
- e) All bidding processes shall include a formal bid receipt, bid opening, bid valuation.
- f) The Procurement Committee shall be independent in its decisions but shall be at liberty to co-opt or seek technical support/clarification from relevant technical officers when transacting Procurement Committee business.
- g) Negotiation shall not be permitted except as prescribed by AFARD regulations.
- h) The Procurement Committee may reject any or all the bids at any time prior to the award of a contract.
- i) For the purposes of this Guideline, an award decision is not a contract.
- j) An award shall be confirmed by a written and signed contract agreement.
- k) For procurements over Ushs. 500 million, successful bidders shall be issued with Award Letters detailing objects of contract including location and contact person pending approval of the contract by the Board.
- l) The award decision shall be posted in a manner

prescribed by AFARD regulation.

- m) Any change in the circumstances of a bidder during the procurement or disposal process that could materially affect the bidder's capacity to execute the contract shall be immediately drawn to the attention of the Procurement Committee by the bidder but may not necessarily affect the set award conditions.

- n) But, non-compliance by a bidder may lead to cancellation of bid offer.

10.11 Procurement Limits

The following procedures shall apply for local procurements.

Table 5: Procurement Limit Matrix

Services	Supplies	Works
X >= Ushs 500m	X >= Ushs 500m	X >= Ushs 500m
Local publication of procurement notice in the news papers Analysis is done by the procurement committee. Contract/agreement is approved by the Board Open tender	Local publication of procurement notice in the news papers Analysis is done by the procurement committee. Contract/agreement is approved by the Board Open tender	Local publication of procurement notice in the news papers Analysis is done by the procurement committee. Contract/agreement is approved by the Board Open tender
Ushs 50m < X <Ushs 500m	Ushs 50m < X <Ushs 500m	Ushs 50m < X <Ushs 500m
Bid analysis shall be carried out by the Procurement Committee. Issuance of an LPO/Agreement approved by the DFA/DP and ED Local restricted tender from pre-qualified suppliers.	Bid analysis shall be carried out by the Procurement Committee. Issuance of an LPO/Agreement approved by the DFA/DP and ED Local restricted tender from pre-qualified suppliers.	Bid analysis shall be carried out by the Procurement Committee. Issuance of an LPO/Agreement approved by the DFA/DP and ED Local restricted tender from pre-qualified suppliers.
Ushs 5m < X < Ushs 50m	Ushs 5m < X < Ushs 50m	Ushs 5m < X < Ushs 50m
Procurement Officer Comparative bid analysis based on three quotes from pre-qualified suppliers. Issuance of an LPO/Agreement approved by the DFA and DP	Procurement officer Comparative bid analysis based on three quotes from pre-qualified suppliers. Issuance of an LPO/Agreement approved by the DFA and DP	Procurement officer Comparative bid analysis based on three quotes from pre-qualified suppliers. Issuance of an LPO/Agreement approved by the DFA and DP
X < Ushs 5m or Emergency	X < Ushs 5m	X < Ushs 5m
Single sourcing from pre-qualified suppliers. Issuance of an LPO/Agreement approved by the DFA	Single sourcing from pre-qualified suppliers. Issuance of an LPO/Agreement approved by the DFA	Single sourcing from pre-qualified suppliers. Issuance of an LPO/Agreement approved by the DFA

10.12 Local Purchase Orders (LPO)

This is the basic document that confirms the need for a service - or item and is issued to the most competitive bidder. The specifications of the goods/service to be supplied, payment terms, after sales services provided, spares and support services provided, warranty and delivery terms are made clear. The ACT is responsible for keeping LPO books and raising LPOs.

10.13 Delivery of Goods

An AFARD officer (user department) shall receive the goods after checking their specifications against the copy of the LPO. If the goods supplied do not match the specifications in the LPO, they shall be rejected, otherwise, they are accepted.

10.14 Invoices

The supplier issues an invoice for the goods delivered and accepted showing the quantity, date and price of the goods supplied.

10.15 Procurement of Consultancy Services

- a) Authority to source consultancy service shall be sought from the ED by way of an activity request form justifying the purpose for which the service providers are required and giving an activity charge code and budget for the overall consultancy.
- b) AFARD staff member requiring a consultancy service shall be responsible for drafting the terms of reference and for supervising the consultant. The terms of reference shall include:
 - (i) Brief background of the organization
 - (ii) Purpose of requiring consultancy service
 - (iii) Specific tasks to be undertaken
 - (iv) Qualifications and field of expertise required
 - (v) Level of effort (days) and rate
 - (vi) Deliverables and/or reports stating the time limit from date of engagement
 - (vii) Location or work sites
 - (viii) Nature of travel if any
 - (ix) Method of payment
 - (x) Risks and responsibilities

- c) A consultant database shall be maintained from which consultants can be requested to quote. The Procurement Committee shall set a time limit within which tenders shall be received.
- d) At the close of the tenders, the Procurement Committee (PC) shall open them for scrutiny.
- e) The Procurement Committee shall appoint a Technical Evaluation Committee that shall evaluate the bids and submit recommendation to the PC for consideration.
- f) A meeting of the PC shall be convened to select the consultant and thereafter the normal tender procedures shall be followed.
- g) The Administrative Assistant shall communicate with the selected consultant.
- h) A contract shall be drawn and signed between the two parties.
- i) If the selected consultant declines to accept the contract, the second best rated consultant shall be offered the consultancy.
- j) The PC and the ED shall determine the cost of the consultancy in accordance with AFARD's approved budget and the budget for the given project.
- k) The staff member supervising the consultancy shall be responsible for monitoring of the consultant.
- l) In the event that the consultant's output falls below expectations, the staff member shall alert the ED and the provisions provided under the conditions of the contract agreement shall be enforced.
- m) All payments to the consultant shall be done in accordance with the Consultancy agreement terms and normal payment procedures of AFARD.

10.16 Procurement of Workshop Facilities

- i) A vendor database approved by the Procurement Committee shall be maintained from which quotations will be sought.
- ii) The purchase requisition will be prepared by the DP, reviewed by the DFA, approved by the ED and forwarded to the Administrative Assistant who will proceed to make the necessary bookings with the authorized hotel(s).
- iii) All payments for workshop facilities shall be done in accordance with the normal payment procedures of AFARD.

11. PAYROLL

11.0 Objective

To describe the system, accounting procedures and documentation to be used in preparing AFARD payroll

11.1 Benefits and Allowances

All benefits and allowances paid with the salary shall be in accordance with AFARD "Human Resources Manual".

11.2 Authority for Payment

On appointment, all employees shall be issued with an appointment letter and an employment contract that will constitute authority for salary payment.

11.3 Timesheets

- i) Employees will be required to complete their monthly activity reports/timesheets to coincide with the pay period.
- ii) Staff time will be allocated to departments, activities or projects using activity codes.
- iii) Completed and approved timesheets shall be sent to the Accountant by 25th of each month for payroll processing.
- iv) Salaries shall be withheld for staffs that do not accurately complete timesheets on time.

11.4 Changes to the Payroll

The ED has the responsibility of advising the DFA of changes to be made to the payroll in respect of the following:

- i) First appointment
- ii) Termination of employment
- iii) Suspension from employment
- iv) Advice on withholding of salary
- v) Rate of pay and benefits
- vi) Promotions
- vii) Overtime payments
- viii) Any other payroll area

11.5 Pay date

The Accountant shall ensure that all amendments to salaries are effected and salaries are paid on the 28th of every month

11.6 Salary Payment

- i) Salaries shall be paid through bank transfers or by cheque to the employee's personal account.
- ii) Salaries may be paid by cash under exceptional circumstances with approval from the ED.

11.7 Processing the Payroll

- i) The Accountant shall process the payroll, produce a list of all employees and their pay details and compare the payroll with that of the previous month. A summarized payroll shall be printed at the end of the month for approval by the Executive Director. The ED shall ascertain:
 - a) Accuracy of payroll
 - b) Existence of persons shown therein
 - c) Accuracy of changes communicated by the Accountant
 - d) Recoveries or dues to third parties are complete.
- ii) Salary payments shall only be processed after the approval of the summarized payroll.
- iii) The Accountant shall prepare the salary advice slips and the transfers/cheques to the banks.
- iv) The ED shall sign the transfer authorization letter or cheques and pass them on to the second signatory.
- v) After the cheques have been signed, bank lists showing employee name, account number and amount to be deposited shall be attached to the cheques and dispatched to the banks by the Accountant. Salary slips shall be distributed by the Accountant to staff a day before pay date.
- vi) All deductions to third parties shall be remitted to the beneficiaries immediately.
- vii) When salaries are paid for by funders of projects, the exact amount shall be transferred out of the account held for the specific grant.
- viii) Any unused amounts shall be returned to the original account.

11.8 Overtime

- i) Overtime shall be paid in accordance with the Human Resource Policy.
- ii) Overtime is generally discouraged and may only be paid to junior staff as and when deemed necessary.

- iii) Authorization of overtime shall be obtained from the ED prior to the overtime being worked.
- iv) Senior staff shall not be paid overtime.
- v) By the 25th of each month the supervisors shall give a list of overtime payment claimants to be processed for that month to the Accountant.
- vi) Any claim received after the 25th shall be processed in the following month.
- vii) One copy of the overtime spreadsheet shall be kept by the supervisor for monitoring purposes.

viii) Overtime shall only be paid with the salary and shall be subjected to statutory tax deduction where it is beyond the Non-Taxable threshold.

11.9 Tracking Leave and Sick Days

The Accounts Assistant shall be responsible for updating leave and sick days as specified in the “Human Resources Manual”.

12. TRAVEL ADVANCES

12.0 Objective

To describe the accounting system, procedures, and the documentation to be used in accounting for travel advances.

12.1 Authorization of Advance

- i. A Scope of Work together with the Activity Request and Travel Advance Forms Shall be completed by the officer traveling and signed by the DFA, DP and approved by the ED before the Commencement of the journey.
- ii. The forms shall be submitted in a period of one week and two days prior to the date of departure. When the days of the trip unexpectedly exceed the initial request, authority must be granted by the ED.
- iii. Staff members may request for up to 100% of their flat rate per diem in advance.

12.2 International Per diem

For International travel, staff and consultants will receive Per diem allowances. The Per diem rates will be determined by the Board from time to time, taking into account donor rules and regulations with regard to such Per diem allowances as stipulated in addendum E Section A of this manual.

12.3 Local Per diem

- i) For local travel in Uganda, staff and consultants will receive a flat rate per diem only if they stay outside their home for the night.
- ii) For one-day local trips, the staff member or consultant shall be paid only a meal's allowance.
- iii) The Per diem rates shall be determined by the Board from time to time, in line with the standard local rates as stipulated in addendum E Section B of this manual
- iv) The Head of department and DFA shall approve the travel for the respective staff member

Note: The AFARD Human resource manual under the Benefits and allowances policy provides for travel per diems under sections 6.1.4 to 6.1.10 and therefore the above sections should be read together with the HR Manual provisions.

12.4 Travel Expense Reports and Reimbursable Expenses

- a) Within 5 days of returning from a trip a staff member is required to submit to the Accountant a Travel Expense report. Per diems will not be accounted for using receipts or proof of payment.
- b) The expense report must be signed and dated by the traveler/staff.
- c) The Accountant shall check the forms for accuracy and determine whether any refund is due to the traveler or the traveler owes AFARD money.
- d) If the traveler owes AFARD money, he/she shall pay the Accountant immediately. The traveler must obtain a receipt from the Accountant upon payment.
- e) All refunds shall be deposited back to the original donor bank account where applicable.

12.5 Processing Travel Reconciliation Reports

- i) The Accountant shall process the expense report within 5 business days and reimburse the traveler if he/she is owed money.
- ii) When the traveler is reimbursed he/she shall sign on the payment voucher that reimbursement has been received from the Accountant. These receipts become part of the Travel Expense Report

12.6 Reimbursable Travel Expenses

Reimbursable expenses, all of which require receipts include:

- a) visas
- b) visa photos when connected with AFARD business
- c) airport taxes
- d) taxi/bus fare
- e) inoculations required for trip
- f) excess baggage, up to a maximum of 10Kgs
- g) official email/fax/telephone calls
- h) Travel insurance

12.7 Trip Reports

Each time a staff member travels, he or she is responsible to file a trip report to the ED. If this report is not filed before the next trip, the ED shall not sign the activity approval form or travel advance request form.

12.8 Unretired Advances

- a) If an advance is not retired within 5 days after the staff member returns, the Accountant shall recover the whole amount in full from the staff member's salary without prior notice.
- b) Where the outstanding amount is more than the staff member's monthly salary, deductions shall continue to be done from his/her salary until the full amount is recovered.
- c) The staff member will also be required to explain to the ED in writing why an advance remains unretired 5 days after activity implementation.
- d) In a situation where no satisfactory explanation is received, action shall be taken against the staff member in accordance with AFARD's rules and procedures.

12.9 Exchange Rate for Travel Reconciliation Reports

For international travel, the exchange rate used for the expenses shall be the rate ruling at the transaction date.

The bank or forex bureau receipt shall be submitted with other supporting documents as evidence of rate used.

12.10 Limitations

No further advance shall be issued to a staff member unless he/she has retired all previous advances held by him/her.

12.11 Journals

The Accountant shall cross reference travel advance records to journals.

12.12 Repayments

Staff Sub-Ledger accounts for each employee shall be maintained. Advances and retirements shall be posted to the staff's sub-ledger account using journal vouchers. The Accountant shall be responsible for keeping accurate records and for ensuring that repayments are made in time through payroll deductions or otherwise.

13. FIXED ASSETS MANAGEMENT

This section deals with the management and control of AFARD non-cash assets which include furniture & fixtures, equipment, vehicles and stationery.

AFARD fixed assets are categorized as follows

- (a) Land
- (b) Buildings
- (c) Vehicle,
- (d) Office furniture and fittings,
- (e) Office equipment
- (f) Intangible assets

13.0 Initiating and Authorizing Acquisition

The process of acquiring any assets shall be initiated by the user section, and shall be reviewed by the DFA to confirm that the item or service is actually needed and budgeted for, following which the ED shall approve the purchase.

13.1 Fixed Asset Register

All AFARD assets shall be safeguarded against loss and unauthorized use. In order to exercise control over

the use and security of these assets, a comprehensive register shall be maintained.

13.2 Engraving/Labeling Fixed Assets

All AFARD fixed assets will be engraved or labeled to make them easily identifiable. The labeling shall be in the form of AFARD/Item/Number or as desired by donors.

13.3 Disposal of Fixed Assets

Decision to dispose off any assets shall be made by the ED with approval from the BoD. Disposals shall be conducted in accordance with the disposal guidelines in section 10.

13.4 Loss of Assets

All losses shall immediately be reported to the ED and the concerned staff shall inform the police and any other relevant authorities.

Table 7: Asset Management

Reference	Description	Responsibility
(i)	<p>Fixed Asset Register</p> <p>The fixed assets register shall be divided into classification of assets, and for each asset the following shall be recorded:</p> <ul style="list-style-type: none"> a. Date of purchase, b. Description of asset, c. Cost of the asset (for donated items record estimated market value), d. Funding source, e. Identification/serial/engine/registration numbers, f. Asset number (AFARD), g. Location of asset (if fixed), h. Officer responsible for the day-to-day custody of the asset. 	ACT
(ii)	<p>On purchase and receipt of new assets</p> <p>Add details of the new assets in the register under the appropriate classification</p>	
(iii)	<p>On disposal of assets</p> <p>Delete the asset from the register, record gains and losses on disposal in the GL using journals.</p>	
(iv)	<p>Documentation</p> <ul style="list-style-type: none"> a. Maintain a separate file for all documents relating to the amendments to the register to support documentary evidence b. Original logbooks shall be kept in secure place i.e. a safe/strong room 	DFA

13.5 Vehicle

13.5.1 Vehicle Maintenance (AFARD Vehicles)

The costs of vehicle running and maintenance are substantial. Therefore, close monitoring of the use of vehicles and introducing a regular maintenance programme on each vehicle can enhance control of costs. Also the responsibilities and insurance provision in case of an accident is covered under this section.

Table 8: Vehicle Management process

Reference	Description	Responsibility
(i)	A log sheet should be kept for each vehicle recording the following key information: Details of use of vehicle a. Name of driver, b. Date and time of journey, c. Start and destination of each journey, d. Mileage at start and on reaching the destination, e. Purpose of journey, which should be initiated by AFARD official and not the driver.	ED
(ii)	Purchase of fuel and oil a. Type, b. Date of purchase, c. Amount paid for the fuel and oil, d. Mileage on the odometer.	
(iii)	Details of maintenance and related costs a. Details of ad hoc repairs e.g. tyre repairs and other minor jobs, b. Details of major repairs, c. Cost and date of each repair, d. Service provider costs and date	

13.5.2 Vehicle Operations

Given the value of vehicle(s), the potential for misuse of the vehicle(s) and the liabilities that AFARD could incur as a result of inappropriate usage, these regulations would guide staff (especially the driver) on safe and cost-efficient vehicle(s) operations. Failure to abide by these regulations shall lead to disciplinary action:

- (i) A driver in a responsible, courteous and defensive manner, shall obey all traffic regulations. The driver should always have the original copy of their driving permits.
- (ii) Any fines arising out of violation of traffic rules will be the personal responsibility of the driver.
- (iii) A driver shall not transport any persons or materials not related to official AFARD activities unless authorized otherwise.
- (iv) Seat belts shall be worn at all times while driving and it shall be the responsibility of the driver to ensure that all passengers in the vehicle do the same.
- (v) Where the seatbelts are spoilt the driver shall immediately report to the DFA so that they are repaired immediately.
- (vi) A driver shall safeguard the vehicle he/she is driving at all times including taking care of auxiliary equipment like spare tyres, tool kits, jacks and authorized cargo.
- (vii) The vehicle(s) shall be parked at safe locations.
- (viii) A driver shall report any problem that may affect vehicle performance or safety to the administrative assistant.
- (ix) Prior to driving the vehicle, the driver is required to check at least the following: tyres, lights, horn, windshield wipers, brakes, loose vehicle parts, and fluid levels. Any problem identified must be corrected before commencement of the journey.
- (x) Each week an inspection of the vehicle(s) is to be done and any defect reported for repair.
- (xi) Only official drivers of AFARD shall be permitted

to drive the vehicle and other staff may drive with due authorization of the ED.

- (xii) Travel after dark shall as much as possible be avoided as it would increase the risks of accident and theft of vehicle.
- (xiii) It is the responsibility of the driver to record the movement of the vehicle in the Vehicle Log-book on a daily basis and at the beginning and end of every trip.
- (xiv) The logbook shall be kept in the front of the vehicle at all times.

13.5.3 Vehicle Assignment

- i) Vehicles shall primarily be used for official purposes although personal usage may be allowed on special AFARD circumstances at the discretion of the ED e.g. death.
- ii) It is the responsibility of the ED to allocate the vehicle and driver for programme activities.
- iii) To ensure cost effective scheduling of vehicles, staff are advised to complete the Vehicles Request Form if possible at least 6 hours prior to the trip.

13.5.4 Vehicle Management

Cost-effectiveness in the usage and costs associated with the operation of vehicles shall be maintained by monitoring vehicle maintenance, repair and fuel costs.

The following tools will be used to enable management monitor the costs and take remedial actions where necessary:

13.5.4.1 Fuel Record

Fuel put in the vehicle shall be recorded in the logbook, indicating the date, mileage and litres of fuel put.

13.5.4.2 Fuel Consumption Analysis

The Fuel Consumption analysis is a simple excel spread sheet program that monitors the fuel consumption per vehicle over a given period of time.

13.5.4.3 Fuel Consumption Rate

A simple computation of fuel consumed over a period of time over the kilometer covered can give a good hint of the efficiency of the vehicle. A fuel consumption rate shall be compiled by the ACT on a monthly basis and it shall be used as a management tool to draw the attention of the ED in case of any suspicious trend of fuel consumption.

13.5.5 Vehicle Service provider Schedule

The DFA is responsible for ensuring that AFARD vehicle(s) receive ongoing maintenance based on the

manufacturer's recommendations. In general, there are two types of service that a vehicle has to undergo

- i. **Minor Service** - This includes changing of fluids, filters, wheel alignment, and inspection of motor transmission system, suspension, steering, belts, hoses, exhaust system etc. This is usually done on an average of 3 times a month depending on the amount of travel the vehicle has made.
- ii. **Major Service** - This includes the minor service provider in addition to inspection and repair of the following parts if found to be faulty: Brake pads, timing gears, hydraulic fluids, seals, gaskets, etc. This is recommended to be done on average every 6 months depending on the amount of travel the vehicle has made as well as the requirements of the manufacturers.

Besides the above service schedules, circumstances may necessitate other repair work to be done in the event of any mechanical breakdown. The Procurement Committee shall contract a reliable garage to undertake such repair work.

13.5.6 Vehicle Documentation

- i. Each vehicle shall have a file maintained at AFARD in which copies of all documents pertaining to the vehicle will be maintained. This will include among other documents the Registration Book, Road License and Certificate of Insurance.
- ii. It is the responsibility of the Driver to ensure that all the licenses and certificates of insurance are renewed in advance.
- iii. In case of an accident the driver is required to furnish the DFA/ED with a copy of the Police Report pertaining to the accident to facilitate further follow up.

13.5.7 Expendable Assets/Stationery

- i. In addition, for commonly used/procured items such as stationery, a record showing balances to date shall be maintained by the AA.
- ii. The ACT shall conduct monthly independent confirmation of these balances.
- iii. Stationery items shall be kept in a separate place/room, locked and only accessed by two authorized persons who will be responsible for updating the stock levels whenever any issuing or receipt of new stock takes place.
- iv. The stationery items shall be grouped according to the different categories for example as paper products, printing materials etc.

- v. Each item category shall have a stock number labeled on the Bin Card for monitoring stock levels.
- vi. A stores requisition form shall be completed by every staff who requires stationery, approved by the AA and endorsed by the receiving staff.
- vii. A separate file shall be maintained for keeping all stores requisition forms pertaining to the issues and another file for all the receipts including a copy of the GRNs.

14. COMMUNICATION

The AFARD Human resource manual sections 2.1.6 to 2.1.10 provides guidance for the use of internet, emails, telephones and social media for communicating within and outside AFARD.

The system of communication within and out of AFARD, filing of documents and the use of fax machine, e-mails and telephone shall be as follows:

14.0 Correspondences

- a) There shall be two stamps, one of which shall be used for stamping every incoming correspondence.
- b) The Secretary/Receptionist shall keep the date stamp and it shall be adjusted on a daily basis according to the current date.
- c) All incoming correspondences addressed to AFARD shall be received, stamped with the date stamp and registered in the mail register book, clearly indicating the source, subject and to whom it has been addressed to.
- d) The second stamp shall be kept under the safe custody of the ED who is also the Administrative Head, and it shall be used only when required to confirm contracts between AFARD and vendors or other parties with which the Centre is transacting business.

14.0.1 Outgoing Correspondence

- a) All Official outgoing correspondences including fax messages but excluding e-mail messages shall be on the official programme headed paper.
- b) Reference numbers should be given to all outgoing correspondences according to the subject and a copy of the correspondence filed on the relevant subject file. Depending on the confidentiality of the outgoing letter, a copy of the outgoing letter could be placed on the floating file to enable the other Officers have an idea of the issues that are being addressed.

14.0.2 Forms

As part of the internal communication and also to facilitate decision-making various forms will be filled in by staff, and submitted to the respective action officers for action. Copies of these forms will be placed at a position accessible to all the staff so that they can fill in at their convenience.

14.0.3 Filing System

No matter how technology influences the workplace, indexing remains the key element of an efficient filing system. AFARD system is based on an Alpha-Numeric System, with the major Alphas starting at A on to J. The filing system has the following elements:

14.0.4 Open-Faced Shelving

This is the most cost-effective shelving system since the office also still has a lot of space. The open design also makes it easy to find and retrieve records. With these files placed behind the secretary, who has a swivel chair, it will be easy to get to the files.

14.0.5 Filing

This will be done in two ways; physically and electronically as follows:

- i. Manual/Physical filing
- ii. Electronic filing

Manual/Physical filing

This will be done on an alphabetical order from A - 1 to J - 4

- a) All AFARD organizational files shall be kept under A.
- b) The files under the Alpha B have the following structure

For example; B1

This file has been divided into three thematic aspects: Since it is a large component of AFARD, it encompasses elements of administration, technical work, and co-ordination:

Accordingly, it is divided as follows:

a. Administration and Accounts

- i. Reports,
- ii. Minutes and Workshops

These files then have separators in the following manner:

b. Admin/ Accounts

- i. Budget issues
- ii. Workshops
- iii. Funding requests

c. Audit

- i. Letters to External auditor
- ii. Audit Reports

d. Reports

- i. Progress Reports
- ii. Proposals
- iii. Consultancies

- iv. MoU and Channeling Agreements
- v. Minutes/Workshops/External Relations
- vi. Workshops
- vii. Minutes
- viii. External Relations
- ix. Press releases
- x. Aide memoirs

All the other files are structured in a similar manner.

Administration files, under G should all be moved to the DFA's office.

This office also has the jurisdiction to expand the G Alpha to include accounting and all the other aspects under their area.

Personnel files, under Alpha H and especially H1 should be moved to the ED's office. It is recommended that the personnel files, which contain records on individual employees, should then be separated for each staff.

These files should include:

- iii. C.V. of personnel
- iv. Certificates
- v. Passport size photograph
- vi. Letters confirming employment or change in employment
- vii. Salary rate payable and the date of revision, and allowances payable and time duration where applicable
- viii. Training reports
- ix. Leave roster/schedule including sick leave notification, annual leave entitlement
- x. Specific issues: letters of recognition, warning, performance appraisal, etc.
- xi. Personal data forms, oath forms, next of kin form, certificate of service provider, acceptance of offer letter etc.

Electronic Filing using a Common Folder on Network

Once the network has been established – the general documents should be saved under AFARD common file, which can then be accessed by all those that need it. A scanner would also enable the team to scan and save documents under the common file. The office does not really require filing software presently but the same proposed system can be used under the common file.

To be operational it requires that all users save their files to the common AFARD Folder: under the various sub-components.

14.1 Referencing

Referencing is very useful in the case of tracking records. It is therefore imperative that the referencing of correspondence and filing is done in the same manner.

14.2 Phone and Fax

- i. Because of the high cost of communication via telephone and faxes, staff are expected to use the available facilities for official communication and as little as possible for personal calls.
- ii. Any staff be found to excessively use the telephone for personal calls arrangement shall be made to recover the cost from his/her salary.
- iii. The ED, DP, DFA, ACT shall be provided with office mobile phones and shall be expected to use the facility for official communication only.
- iv. Guidelines for use of Personal phones at work are provided for in the Human Resource manual Section 2.1.7

Table 9: Filing System

Category	Process	Filing Structure	Responsibility
		Description of Theme/Topic	
A	AFARD:	<ol style="list-style-type: none"> 1. Constitution 2. Strategic Plan 3. Financing Agreement 4. Project Proposals 5. Inception Reports <ol style="list-style-type: none"> a. First Quarterly Report b. Second Quarterly Report c. Third Quarterly Report d. Fourth Quarterly Report 	Administrative Assistant
B	Partners:		Administrative Assistant

Category	Process	Filing Structure	Responsibility
		Description of Theme/Topic	
C	Funders: 1. USAIDGORTA 2. POLICY Project - CIVIL SOCIETY FUND 3. EUROPEAN COMMISSION		Administrative Assistant
D	Co-ordination Groups:		Director of Programmes
E	Reports and Project Proposals (in stand files): 1. Annual Reports		Secretary/Administrative Assistant
F	Contracting of Consultants: 1. Local 2. International Guidelines for contracting • Contracts • Terms of Reference • Curriculum Vitae • Individual Consultancies • Consulting Firms		Director of Programmes, Director of Finance & Administration/ Accountant
G	Project Management: 1. Accountability 2. Auditors Report 3. Bank Vouchers 4. AFARD Accounting 5. Insurance 6. Guidelines for Procurement 7. Security 8. Tenancy Agreements		Director of Programmes, Director of Finance & Administration/ Accountant
H	Personnel: 1. AFARD Staff: CVs, transcripts, Leave rosta, training etc. 2. General: Short-listed staff, CVs, adverts, interviews, applications etc.		Secretary/Administrative Assistant
J	Office Management: 1. Making Purchases (general) 2. Petty Cash 3. Stock Control – Stationery etc. 4. Utilities: telephone, electricity, water		Secretary/Administrative Assistant

15. APPENDICES

15.0 User Department Purchase Requisition Form

Expected Delivery Date:

Serial No:.....

Quantity	Item description	Last Purchase Price	
		Unit Price	Total (USHS)

Purpose: _____

Budget Activity Code: _____

Funds Available? Yes/No

User Department Sign-offs

Prepared By (Name): _____

Sign: _____

Date: _____

Reviewed & Approved By DP (Name): _____

Sign: _____

Date: _____

Finance Department

Reviewed By Accountant (Name): _____

Sign: _____

Date: _____

Approved By DFA (Name): _____

Sign: _____

Date: _____

15.1 Independence Declaration Form for The Procurement Committee

User Department Request Form:..... Date:.....

(Tick when appropriate)

- I [have/do not have] a relationship, business or otherwise with.....
(Vendor Name) M/S..... has submitted proposals and OR
carried out business with AFARD.
- I have read and understood the AFARD Finance and Administration Manual and the related
procurement policy therein.

I also declare that:

- I have not dined with any of the personnel (owners or employees) of the companies bidding for this
job within the last three months
- I have not disclosed any information that may put any party to a disadvantage.
- I have not received a gift that may make me impartial or appear so.
- I have not solicited for any favor, monetary or otherwise from any party so as to be able to front for
their interests in this process.
- I have not influenced the established processes and procedures in any way so as to suit any entity or
persons to the detriment of others.

Signed and Acknowledged By

Procurement Committee Member

Name:..... Signature:.....

Designation:..... Date:.....

15.2 Supplier Quotations/Tender Analysis Form

Supplier Quotations/Tender Analysis Form				Serial No:		
User Request Form:			Date:			
Supplier	Approved Supplier? Yes/No	Quotation Date	Contact Person and Telephone	Price Offered	Special conditions [Technical, Past performance, Price etc.]	Score
Recommended Supplier:						
Basis for supplier selection (Attach Procurement minutes, where applicable):						
Reasons if not the lowest Offer:						
Procurement Members						
1. Name:	Signature:	Signature:	Signature:	Signature:	Signature:	Date:
2. Name:	Signature:	Signature:	Signature:	Signature:	Signature:	Date:
3. Name:	Signature:	Signature:	Signature:	Signature:	Signature:	Date:
4. Name:	Signature:	Signature:	Signature:	Signature:	Signature:	Date:
5. Name:	Signature:	Signature:	Signature:	Signature:	Signature:	Date:
6. Name:	Signature:	Signature:	Signature:	Signature:	Signature:	Date:

15.3 Single Sourcing Justification Form

AFARD requires that quotations/bids be solicited from at least three suppliers for all purchases of Ushs. 5,000,000 or more. This policy applies to purchases for goods as well as services. "Procurement by a non-competitive method" is one where a product or service can only be purchased from a single source or sole source supplier therefore not allowing for supplier and price competition. "Procurement by a noncompetitive method" requires explanation and written justification by completion of sections A, B, and C below.

When competitive bids were not obtained, attach this completed form to the obtained single quote and purchase initiation form for a purchase greater than Ushs. 5,000,000.

Name and title of person completing this form:

..... Signature: Date:.....

Requested Single/Sole Source Supplier: OR

Name of Company/Consultant:

A. Explanation for Procurement by a non-competitive method (select one or more):

- Product/Service is unique (briefly explain your work requirements and the relevance of the unique product/service)
- Continuity of existing work
- Compatibility with existing equipment
- Emergency purchase (life, health or property is in jeopardy)
- Use of specific supplier is identified in writing as a requirement of the project award (attach copy of written requirement by sponsor)
- After solicitation of a number of sources, competition is considered inadequate

B. Justification for Procurement by a non-competitive method

Please provide documentation supporting your selections in section A. Examples of appropriate documentation include: correspondence with suppliers, sources that were initially considered and why they cannot be used, inquiries made with other institutions/departments for sources of the product/service, etc. Include any relevant attachments.

Additional Comments:
.....
.....
.....

C. Price Justification and Reasonableness:

Describe your efforts to determine price reasonableness and provide supporting documentation for similar products, which may include:

- Cost analysis
- Market research
- Screenshots, emails, and catalog prices
- Pricing information obtained from colleagues at peer institutions who have purchased the same or similar items
- Prices of similar items

ACKNOWLEDGEMENT AND APPROVAL

This section must be completed

I acknowledge and approve AFARD's requirements for soliciting competitive.

Bids for purchases over Ushs 5,000,000 and the criteria for justification for Single Source/Sole Source purchases.

1. Name and signature (Director Finance and Administration)

..... Date.....

2. Name and signature (Executive director)

..... Date.....

15.4 Request for Quotation (RFQ)

RFQ No:.....

Date:

To: Prospective Bidder

Dear Sir/Madam,

QUOTATION REQUIREMENTS

1. Please give us your Price Quotation for

Number	Description	Detailed Specifications	Qty

2. Delivery of Goods/Service is to start by from the date of Purchase Order.

3. Goods/Services are to be delivered/completed by from the date of Purchase Order.

4. Please provide the Price Quotation using your official Pro-forma Invoice.

5. Your Price Quotation must be received by the Procurement Section by on

6. Your prices must remain valid for acceptance for a period ofdays from the date of your offer.

7. Delays in delivery/completion of services lead to cancellation of the order/contract.

8. Payment: 100% within 30 days of date of invoice and completion & acceptance of services.

9. Quotations that are responsive, qualified, and technically compliant will be ranked according to price and a Purchase Order will be placed with the supplier offering the *(best fit combination of the three attributes)* and not only on lowest priced quotation.

10. Quotations must be dropped in a tender box or addressed to emailed to:

11. For further information, please contact the undersigned on telephones no

12. Additional information:

Signed..... Name: Title:

Received RFQ by: For

Date Received: Signature.....

Company Stamp

15.5 Vehicle Request form

15.0 AFARD VEHICLE REQUEST FORM		
Date		
Requester Name		
Destination(s)		
Vehicle Type		
Number of Passengers/Cargo		
Purpose		
Department		
Cost Centre		
Donor (Funder)		
Project (Activity Code)		
Donor Reporting Line		
Date and Time Out		
Date and Estimated Time Back		
Alternative Dates and Times		
Head of Department Authorisation		
Transport Manager Authorisation		
<i>To be filled in after due trip date</i>		
Fulfilled	Not Fulfilled	Cancelled
Vehicle Used		
Driver Name		
Opening Mileage (km)		
Closing Mileage (km)		
Actual Mileage Covered (km)		

Driving before 0600 am and after 0600 pm is forbidden unless authorised by SLT (Senior Leadership Team). Please adjust trip times accordingly.

15.6 Restricted Reserve Fund

AFARD has over the years largely depended on donor funding. The results have among others included premature closure of projects, delayed staff salaries, turnover of qualified staff, and disrespectful relationship with funding partners. In order to build a financially viable AFARD able to fully control its project direction and pace, AFARD shall operate a restricted reserve fund.

Objectives of the Fund

- a. The primary objectives of establishing the Restricted Reserve Fund are:
- b. To ensure stability of the mission, programs, employment, and ongoing operation.
- c. To provide an internal source of funds for unanticipated expenses and uninsured losses (cash flow stability).
- d. To finance research and development and capital investment without donor support.
- e. To exploit emerging opportunities that can add value to AFARD's operations.

Target Fund Level

The Board of Directors shall establish annually Ushs. 500 million as its Restricted Reserve Fund or about 20% of its annual approved plan (including costs of projects, personnel and administration).

This fund shall be deposited on AFARD RESERVE FUND ACCOUNT, which shall be maintained in a separate bank from where project accounts are operated.

The bank account shall have two signatories (but not the Executive Director and Director Finance and Administration) nominated by the Board.

Sources of Funds

The Restricted Reserve Fund shall be financed by the following income sources:

1. Interest income on all AFARD NGO project accounts;
2. Undesignated surplus income from the business wing;
3. Undesignated financial contributions to AFARD; and
4. Any other source the Board may deem fit.

Use of Reserve Fund

1. The Reserve Fund will be used for the following:
2. Capital investments including replacement of furniture and equipment;
3. Financing of the business wing working capital excluded by market lenders;
4. Financing of gaps in operation and project budgets; and Financing of delayed donor funded projects.

However, to ensure a stable general fund level, any used fund from the Reserve Fund Account will be replaced within the next 12 months.

Fund use Authorization

1. The Executive Director together with the Director Finance and Administration, and in liaison with either the Director of Programmes or Business Development Manager shall prepare a detailed plan and budget and justification for fund use and plans for replenishment.
2. The Executive Director shall present the request for use of reserve fund to the FARM Committee, which will review and reject or recommend for approval to the Board Chair.
3. The Board Chair shall present approval for fund use in writing with a copy to the account signatories.
4. The required fund shall be transferred from the Reserve Fund Account onto the user department account.

Accounting and Reporting for Reserve Fund

1. The Reserve Fund will be recorded in the financial records as Restricted Reserve Fund.
2. The Fund will be maintained on a separate bank account.
3. The bank account shall have 2 separate signatories appointed by the Board.
4. Any part of the fund used in the year shall be recorded as member's contribution.
5. Any balance on the reserve fund account will be recorded as Restricted Fund.

15.7 Per Diem Rates

This revision is based on the Board Resolution of June 30, 2017. It is intended to harmonize cost to ensure financial efficiency.

A. Board of directors

	International (Max 5days)	Outside West Nile but within Uganda (UGX)	Within West Nile (outside Nebbi) (UGX)	Within West Nile (Nebbi) (UGX)
Board per diem	\$200	200,000	150,000	100,000
Board travels (Round trip)		500,000	250,000	100,000
B. Management and staff				
Executive Director	\$200	200,000	150,000	100,000
Managers	\$150	150,000	100,000	75,000
Project Officers	\$100	100,000	75,000	50,000
Administrative staff	-	85,000	75,000	40,000

To note are:

1. All international rates indicated above excludes reimbursable costs.
2. All consultancy services will be charged on negotiable professional fees basis
3. All support staff of Board members (drivers, police, and personal secretaries) will be paid a per diem rate at the level of Project Officers.
4. For Board members, attendance sheet will suffice for accountability.
5. For management staff, a trip report will be used.
6. Payment to management staff within duty station will be subject to working outside of office for no less than 6 hours.

