



FINANCIAL MANAGEMENT MANUAL

**COVENANT APPLIED INFORMATICS AND
COMMUNICATIONS - AFRICA CENTRE OF
EXCELLENCE**

COVENANT UNIVERSITY

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COMMUNICATIONS – AFRICA CENTRE OF EXCELLENCE**

FINANCIAL MANAGEMENT MANUAL

**ADDENDUM TO COVENANT UNIVERSITY ACCOUNTING MANUAL FOR
OPERATION OF WORLD BANK AFRICA CENTRE OF EXCELLENCE IN
APPLIED INFORMATICS AND COMMUNICATIONS**

(CApIC-ACE)

2019

Preface

Financial Management is a vital activity in any organization. It is the process of planning, organizing, controlling and monitoring financial resources with a view to achieve organizational goals and objectives. It is an ideal practice for controlling the financial activities of an organization such as procurement of funds, utilization of funds, accounting, payments, risk assessment and every other thing related to money.

Covenant University has many departments saddled with various responsibilities, one of which is Financial Services Department.

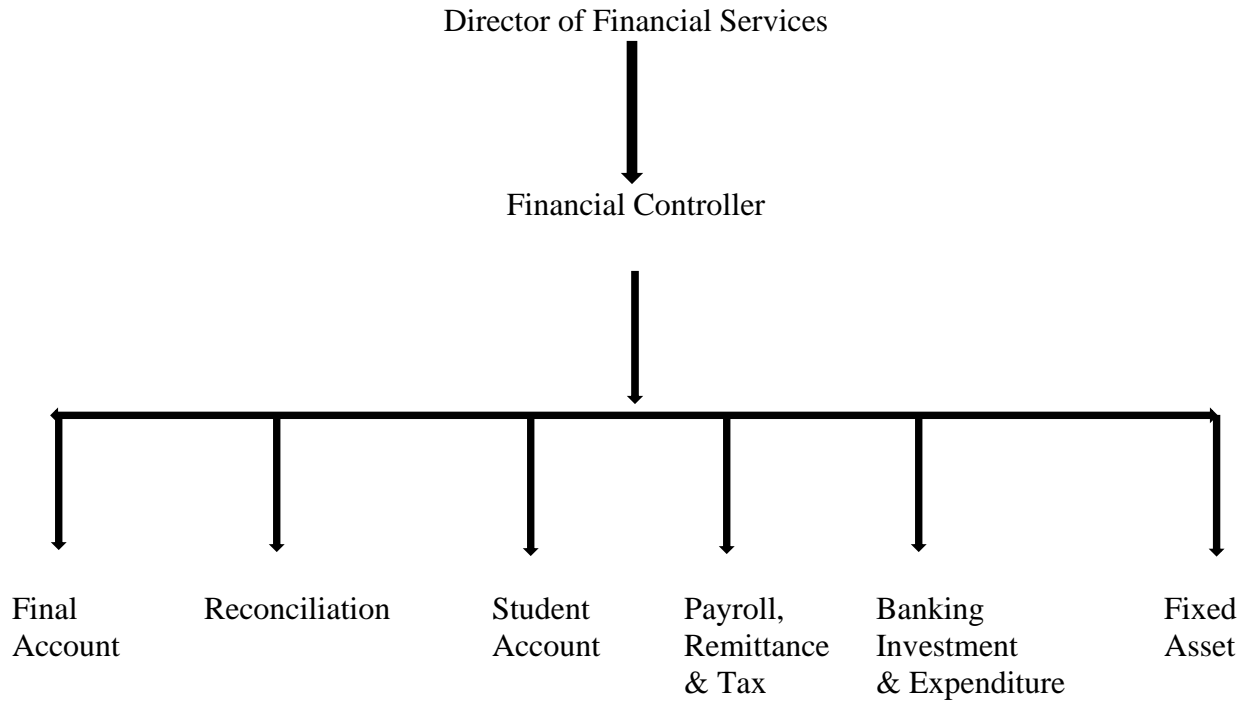
The Financial Services is the department of the University charged with the responsibility of managing the financial resources of the institution. The department is under the headship of the Director of Financial Services, who is the Chief Financial Officer of the University and he is responsible to the Vice-Chancellor for the day-to-day administration and control of the financial affairs of the University.

The Financial Services Department has Six (6) key units whose responsibilities are to the students, staff and the general university community.

The Units are:

1. Final Account / Budget – this unit maintains the general ledger and extract Trial Balance from the general ledger to produce University Final Account and also handles the collection of data input for the preparation of University approved budget and also prepares budget and performance report.
2. Reconciliation – this unit reconciles the bank statements with the University Bank Book
3. Payroll Remittance and Tax – this unit handles all University’s Payroll function
4. Student Account – this unit handles Students Record of Payments from the University and reconcile for Completeness And Accuracy
5. Banking Investment and Expenditure - To establish and manage for possible sustainability of all existing relationship between the University and Financial Institutions. This unit also handles all fund disbursement and investment matters.
6. Fixed Asset – this unit maintains memorandum record of fixed asset and monitor the asset and disposal.

FINANCIAL SERVICE DEPARTMENT ORGANOGRAM



Financial Management Manual

Covenant Applied Informatics and Communications – Africa Centre of Excellence (CApIC-ACE) will have a bank account with the Guarantee Trust Bank Plc., dedicated to the project.

Signatory Mandate

Signatory to the CApIC-ACE bank account

The signatory arrangement will be:

Category A – The Vice chancellor and the Centre Director

Category B – Director, Financial Services and Project Accountant

Mandate is **A+B** for all transactions

Monitoring of CApIC-ACE Grant

- ✓ The Director of Financial Services maintains a designated project Domiciliary account into which the Project funds are transferred directly by the grantee or donor.
- ✓ A separate local currency naira account is also opened in the name of the project.
- ✓ The authorized signatories to African Center of Excellence (ACE) project account comprise of four designated staff in two categories, that is, category A and B. Category A is the Vice Chancellor and Project Center Leader, while category B comprises the Director of Financial Services and the Project Accountant.
- ✓ There will be at least two signatories required for each approved payment, that is, one from category A and one from category B.

Applications

- ✓ Once the money is remitted through the CBN from the donor to the project account, the fund will be converted into the local currency (naira) account.
- ✓ Expenditures on the project are only authorized by the Centre Director.
- ✓ All payment documents charged to the project must be approved by the Centre Director and authenticated by the Audit Unit.
- ✓ Necessary Ledgers will be opened to capture all financial transactions on the project.
- ✓ Statement of account, bank balances and cash in the vote, will be made available to relevant persons.

Audit

- ✓ Pre-payment audit – all vouchers goes through the audit before the payment proceeds
- ✓ Post payment audit and risk-based audit is adopted.
- ✓ All vouchers paid together with the supporting documents will be forwarded to the Audit for post auditing.

Disbursement

- The Procurement Officer raise vouchers for purchases within a given threshold, sends to the Centre Director who forwards to Vice Chancellor for approval, then to the Project Accountant for processing, to the Audit Unit for authentication, to Accountant for payment and receipts documentation.
- Petty cash expenditure vouchers are initiated by the beneficiary, approved by the Centre Director, then to the Accountant for processing, authenticated by the Audit, paid by the Accountant, and receipts documented/filed.
- The Project Accountant will raise cash advance form and attach necessary documents to support the payment.
- The Centre Director is allowed to obtain travel claims, consumables, conduct Staff capacity building programs, and pay for other expenses in line with the approved budget/work plan for CApIC-ACE.
- The Project Accountant monitors the spending of the project funds in accordance with the CApIC-ACE work plan and University Financial Regulations.

Expenditure Vouchers

There will be two types of Vouchers:

- a) Staff Expenditure Vouchers:
These are Staff related expenditures, such Staff allowances, Duty Tour Allowance etc.
- b) Contractors Expenditure Vouchers:
These are vouchers raised on behalf of the Centre's contractors.

Reimbursement

Where there is an urgent need to travel or incur out-of-pocket expenses, the receipts for reimbursement must be audited and an application for reimbursement written to the Centre Director for approval and also endorsed by the Director of Financial Services before the documents can be processed by the Accountant for refund

Cash Advance

- ✓ No cash advance can be obtained without retiring the previous advance taken.
- ✓ Cash advance can only be utilized for the purpose it was intended.
- ✓ Unspent balance of cash advance must be paid back into the CApIC-ACE project account appropriately.
- ✓ All cash advances obtained must be retired with supporting documents within two weeks of completion of the assignment, especially, travelling advances.

Operating cost

The Accountant will maintain an imprest account of N100,000.00 or as may be recommended, to settle Project's office petty expenses.

Reports

- ✓ The Accountant in charge of CApIC-ACE project prepares a financial report on monthly, quarterly, interim and annual basis to be endorsed by the Director of Financial Services and the Center Director and sent to the Ministry of Education and World Bank within 45 days after the end of the quarter.
- ✓ The Accountant also prepares ledgers and cash book on periodic basis to be endorsed by the Director of Financial Service and the Center Director.
- ✓ The Accountant prepares the statement of expenditure and balance sheet on annual basis in accordance with the laid down procedure of ACE, the university's financial regulations, and in compliance with International Public Sector Accounting Standard (IPSAS) and International Financial Reporting Standard (IFRS).
- ✓ Bank reconciliation of the CApIC-ACE grant will be prepared by the Accountant and endorsed by the Director of Financial Services and the Center Leader.