

DFA Accounts Manual

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List of Acronyms

Abb.	Full text
Danida	Danish International Development Assistance
DAR3	Brand name from previous phases used in West-Nile
DEB	District Executive Board
DFA	District Farmers Association
DSA	Daily Subsistence Allowance
FO	Farmers Organisations
GoU	Government of Uganda
M&E	Monitoring and Evaluation
RALNUC3	Brand name from previous phases used in Acholi Sub-region
RDE	Royal Danish Embassy
UGX	Ugandan Shillings
URA	Ugandan Revenue Authority

1.0 Introduction

1.1 Purpose and Scope of the Manual

This manual provides details on the financial management guidelines that are relevant to the DFA as far as the enhancement of proper controls and adherence to donor requirements are concerned.

1.2 Distribution and Maintenance of the Manual

This manual was approved by the DEB on ____/____/_____. The manual is maintained by the DFA Coordinator and Accountant. Any updates or revisions to this manual shall be presented by the coordinator to the DEB for approval after which dates of approval and version of the manual shall also be amended accordingly. The manual shall be distributed to the following;

1. DFA Chairman
2. DFA treasurer
3. Donors.
4. The District Executive Board
5. DFA Coordinator
6. DFA Accountant

2.0 Roles and Responsibilities

The objective of this Chapter is to describe those involved in the financial management of the DFA and what their roles and responsibilities are.

2.1 DFA Organisation

The DFA is a non-governmental organisation, governed by a District Executive Board (DEB) whose membership is drawn from the farmers and farming communities. The DFA management, headed by the Coordinator, manages the DFA on behalf of the DEB and is supported by the accountant. The DFA's chairman and treasurer provide regular oversight and are signatories to the DFA's accounts.

2.2 Coordinator

The Co-ordinator has the overall responsibility for the financial management of the DFA. The Coordinator reports to the DEB (with the chairman and treasurer as the first points of contact) and supervises activities of all other DFA staff. This responsibility implies among other things the following:

- Follow the accounting procedures in accordance with the guidelines in this manual
- Responsible for all cash and bank transactions
- Responsible for the DFA Assets management
- Ensure that funds are spent properly and any misappropriation reported to the chairman
- Principle signatory to all the DFA Accounts
- Ensure timely and proper accountability of funds
- Prepare quarterly and annual progress reports
- Ensure implementation of activities according to the approved work plans and budgets

2.3 DFA Chairman

The DFA Chairman oversees DFA activities on behalf of the DEB thus reports to the DEB and supervises all the other DFA management staff. The DFA chairman shall approve payments and sign Cheques as a 2nd signatory to the DFA Bank accounts. The Chairman shall review and approve the DFA vouchers & all financial documents.

2.4 DFA Treasurer

The Treasurer has the following responsibilities:

- Presents proposed budget & financial reports to the DEB & Farmers council
- Monitor the implementation and performance of financial services of the DFA
- Inspect the books of accounts of the association and ensures that they are in good order
- Initiate and lobby for funding of the Association from donors and other sources
- Manage the financial affairs of the Association in a competent manner

The Treasurer is the back-up signatory to the DFA bank accounts. In the absence of the DFA Chairman he approves payment vouchers and other documents and signs cheques.

2.5 Accountant

The Accountant undertakes the daily financial management of the DFA and ensures it's done in accordance with the guidelines in this manual. This responsibility implies among other things the following:

- Handle the daily postings of transactions in the cash books.
- Maintain the assets register
- Prepare all payments, voucher and cheques for approval
- Prepare cash and bank reconciliations
- Prepare accurate financial reports on a timely basis
- Accounting for all advances received and other revenues

3.0 The Accounting System

This Chapter gives a description of the accounting principles, bank accounts, signatories, accounting documents, registers and financial reports.

The objectives of the accounting system are:

- To provide the management with the necessary financial information to ensure efficient activity implementation.
- To provide for accurate and timely financial reporting to the Donors and the stakeholders according to prevailing rules and agreements.
- To provide efficient control and monitoring of the use of funds and other DFA assets.
- To ensure proper accountability of funds, timely reporting and maintenance of financial records

3.1 Accounting Principles

The DFA management is responsible for preparing proper accounts based on the following principles:

1. Funds received from donors and funds from other sources shall be separated. The DFA must keep separate books and bank accounts for the donor supported activities and activities paid for by the membership account. If the DFA receives funds from other sponsors, new books and bank accounts must be opened for that particular support
2. DFA operates on Cash basis, implying that expenditure is recognized at the time of payment, rather than on an accrual basis, which recognizes expenditure at the time of consumption. Advances are booked as a claimable until documentation for the expenses incurred has been provided.
3. The accounting year follows the Calendar year from the 1st January to the 31st December.

4. The accounting records are kept in Ugandan shillings (UGX) and the accounts will be audited accordingly. Income and expenditure in other currencies shall be converted into UGX using the prevailing exchange rate supplied.
5. All financial transactions carry two signatories, A (principle) and B (secondary), and the appointment of signatories is made according to operating guidelines and procedures documented in the accounts manual.
6. To safeguard the use of funds ,the DFA will implement and maintain segregation of duties including:
 - Where there is a Cashier who is responsible for cash, the Accountant will write the cash book or post in the books of accounts,
 - All vouchers will be checked and verified by a second person before authorization is sought
 - Two signatories will approve any expenditure
 - The Coordinator shall carry out regular random checks to ascertain the presence of cash and assets as per cash book and as per the fixed asset register.
7. The accounting documents shall be numbered in a sequential order separating them from each other and be filled accordingly. A new numbering system is used at the beginning of a new year.
8. Assets owned by the organization are depreciated. For other assets it depends on the donor's guidelines.

3.2 Bank Accounts

The DFA operates separate accounts for each of the Donor supported activities and also maintains separate accounts for other revenues such as membership fees in order to ensure accuracy and transparency in all activities and accountability.

To open a new account, the DFA Coordinator prepares a written request stating the purpose of the new account, the type (current or savings accounts), the signatories and the bank. This is approved by the DEB. To close an account, the same procedures and approvals are followed.

3.3 Authorization of Signatories

The following authorities to sign on behalf of the DFA have been given. In each case there is a primary signatory and one back-up if the primary signatory is absent. Below are lists of signatories for the various processes:-

Cheques and Bank Transfers

No.	Primary Signatory	Back-up
1	Coordinator	

No.	Secondary Signatory	Back-up
1	Chairman	Treasurer

Two signatures are always needed

Orders for Goods and Services

No.	Primary Signatory	Back-up
1	Coordinator	

No.	Secondary Signatory	Back-up
1	Chairman	Treasurer

Two signatures are always needed

Payment vouchers, Journal Vouchers

No.	Primary Signatory	Back-up
1	Chairman	Treasurer

Contracts for Services and other Services

No.	Primary Signatory	Back-up
1	Coordinator	

No.	Secondary Signatory	Back-up
1	Chairman	Treasurer

Two signatures are always needed

3.4 Accounting Documents, Registers and Reports

The following accounting documents are used:

- Receipt
A receipt shall be raised and issued by the Accountant, as an acknowledgement on receiving funds. (Format is shown in Annex 4)
- Payment Voucher
A payment voucher shall be raised clearly indicating the nature of payment and must be prepared for all payments and approved by the authorised signatories. All payment vouchers shall be stamped "PAID" and numbered. (Format is shown in Annex 5)
- Cash book
All financial transactions shall be entered in the cash book and every entry must be verified by a voucher. The DFA shall maintain separate cash books for each of the bank accounts operated. (Form is shown in Annex 16)
- Journal Voucher
(The use is described in Chapters 5, 9 and 12 and the form is shown in Annex 3)
- Travel Accountability form:

This form shall be filled in at the time of accounting for an activity advance by the advance holder. Where there is unutilisation balance; it shall be paid back to the Accountant.

(The form is shown in Annex 2).

- Expenses Claim Form:

This is to be used when an employee has used own funds and therefore is requesting for a refund. It should be noted that such expenditures should have been communicated before expenditure is incurred. The form should be filled in and the receipts attached. (The form is shown in Annex 1)

- General Requisition Form:

This should be filled by the person requesting for funds to carry out activities. (Annex 8)

- General Accountability form:

This form should be filled in at the time of accounting for funds. (Annex 9)

- Log book

This form should be used to record mileage for motorcycles and vehicles. This is to ensure that motorcycles or vehicles are used for approved official activities. (Form is shown in Annex 10).

- Visit plan

The form should be used to report on the official field visits carried out & places visited by the staff during the visit. (Form shown in Annex 11).

The following registers are kept:

- Cheque Register

All cheques should be recorded in the cheque register. The register shall indicate cheque number, date, amount, payee details. (Form shown in Annex 20).

- Membership Register

All members of the DFA shall be registered in the membership register. The register shall be filled on regular basis so as to always have an update of members. The following details shall be indicated in the register; members' names, address, contact, fees status.

- Fixed Assets Register

The Fixed Assets register shall be used to record all fixed assets owned by the DFA and shall indicate the Asset Description, Model, Serial Number, Date of acquisition, User, Supplier, Cost and Location. It shall be regularly updated. (Form shown in Annex 18).

The following reports are prepared:

- Income and Expenditure Statement

This is a financial report that shows a summary of all activities done in the month and the amount spent, against the income for the month (form shown in Annex 13).

- Budget Vs Actual Expenditure report (format shown in Annex 12).

- List of Outstanding Advances.

- Cash Reconciliation (format is shown in Annex 6).

- Bank Reconciliation (format is shown in Annex 7).
- Balance Sheet (format is shown in Annex 14).
- Cash flow statement (format is shown in Annex 15).

4.0 Planning and Budgeting

This Chapter gives a description of how planning and budgeting is done including:

- Timing of the process.
- Preparation and approval of the process.
- Guidelines used in preparation of budgets.

4.1 Preparation of Plans and Budgets

The DFA Coordinator will initiate the budgeting process. The plans and budgets will be prepared by the Coordinator with assistance from the Accountant and respective activity heads. He should also ensure compliance with planning guidelines and formats provided by the Donors.

The Coordinator submits the work plan and budget to the Treasurer who will present them for the District Executive Boards.

The planning and budgeting at the DFA is described in the table below;

Description	Responsibility
Preparation of proposals, work plans and budgets	DFA mgt
Review of proposals, Work plans & budgets	Treasurer
Approval of proposals, work plans & budgets	DEB
Submission of proposal to the funding organizations	Coordinator

5.0 Receipts Procedures

The objective of the receipt procedures is to make sure that all funds are received and are properly and timely recorded.

The DFAs may receive money from various sources among which are the following:

- Financial support from Donors
- Staff Advance returns for unused funds
- Sales from agricultural produce
- Payment for private use of DFA facilities
- Membership fees
- Annual Subscription by the farmers

The money may be received in form of

- Cash
- Cheques
- Bank transfers

5.1 Cash Receipts

The cash receipts procedures are outlined in the table below;

Description	Responsibility
The cash received should be counted twice and confirmed against the support document.	Accountant
A pre-numbered receipt is filled in and the original is given to the person who has brought the cash.	Accountant
The cash is kept in the safe under lock and key.	Accountant
A journal voucher is prepared and forwarded to the Coordinator.	Accountant
The journal voucher is checked, approved and returned to the Account Assistant.	Coordinator
The receipt is entered in Cash book and the document number is registered on the journal voucher after which it is filed in the box file for that particular month.	Accountant
The cash is taken to the bank and deposited on the respective DFA bank account.	Accountant
The stamped deposit slip is filled together with the receipt	Accountant

Procedures for recording and reporting cash receipts:

Dr – Cash book (cash on hand / imprest)

Cr – Grants income / staff advance a/c (Source of the cash)

Note: Cash received – if greater than the limit allowed to be held at the premises should be banked as soon as possible.

Once banked, the following entries should be made:

Dr – Cash book (respective bank code)

Cr - Cash book (cash on hand / imprest)

5.2 Cheque Receipts

The cheque receipts procedures are outlined in the table below;

Description	Responsibility
The cheque received should be checked that it's correctly written & signed. Confirmed against the support document.	Accountant
A pre-numbered receipt is filled in and the original is given/sent to the payee.	Accountant
The cheque together with the copy of the receipt is handed over to Coordinator, who acknowledges the receipt by signing on a copy in the receipt book.	Accountant
A journal voucher is prepared and forwarded to the Coordinator.	Accountant
The journal voucher is checked, approved and returned to the Accountant.	Coordinator
The receipt is entered in the analytical Cash book and the document number is registered on the journal voucher after which it is filed in the box file for that particular month.	Accountant
The cheque is taken to the bank and deposited on the DFAs bank account.	Accountant
The stamped deposit slip is filed together with the receipt voucher.	Accountant

Procedures for recording and reporting cheque receipts:

Dr – Cash book (respective bank code)

Cr – Grants income / Source of funds

Note: Cheque received should be banked as soon as they are received to avoid loss or physical damage. In case the DFA account is not credited by the bank for any reason (e.g. cheque bounces) the entries above should be reversed.

5.3 Bank Transfer Receipts

Description	Responsibility
When receiving a letter about the transfer the statement is checked for the transaction.	Accountant
A pre-numbered receipt is filled in and the original is sent to the payee.	Accountant
The letter together with the copy of the receipt is attached to the support documents.	Accountant
A journal voucher is prepared and forwarded to the Coordinator.	Accountant
The journal voucher is checked, approved and returned to the Accountant	Coordinator
The receipt is entered in the Cash Book and the document number is registered on the journal voucher after which it is filed in the box file for that particular month.	Accountant

Procedures for recording and reporting bank transfer receipts:

Dr – Cash book (respective bank code)

Cr – Grants income / source of funds

Note: The entries above should be passed as soon the DFA has been notified on the credits by the donor or by the bank.

6.0 Payment Procedures

The objective of the payments procedures is to ensure that all payments made by the DFAs are budgeted for supported by valid documentation and that they are properly approved by the relevant authority.

Examples of payments at the DFAs include:

- salaries to DFA staff
- invoices for goods and services
- Personal imprest (for travel etc.)
- allowances to staff

Payments can be made in the following ways:

- cheque
- bank transfer
- cash (for amounts under UGX 200,000)

Cheques and transfers are the preferred mode of payment for DFAs. Cash payments shall be limited to instances of low value transactions. If unusual circumstances exist that require the DFA to make cash payments, such circumstances shall be clearly documented on the payment voucher and reported to the DEB on a timely basis. For all transaction of UGX20million and above should be by Transfer through banks as per the directive by the Central Bank.

Payments should be based on original documents (invoices, etc.). Only in very special cases can a certified copy be used. The copy should be signed by the Coordinator and the Chairman. In cases where the original document is kept by another institution the auditor of that institution should be notified.

After payment all vouchers and supporting documentation should be stamped with the following text: "PAID BY DFA".

6.1 Cheque Payments

The cheque payments procedures are outlined in the table below;

Description	Responsibility
On receiving documents for payments such as invoices, & requisitions, they are checked that all documents received are originals.	Accountant
The availability of funds as per approved budget for the respective activity is checked.	Accountant
A payment voucher and a cheque is prepared and forwarded together with the supporting documents to the Coordinator	Accountant
The documents are reviewed and if found correct the	Coordinator

payment voucher and cheque are forwarded together with the supporting documentation to the Chairman.	
The documents are reviewed and if found correct the payment voucher and cheque are signed and returned to the Coordinator.	Chairman
The cheque and payment voucher are signed and return the documents to the Accountant.	Coordinator
The cheque is issued to the payee and acknowledgement from payee in form of a receipt or signature on the voucher is received	Accountant
The payment voucher and supporting documentation are stamped "paid" with the date of the cheque.	Accountant
The payment is entered in Cash Book and the document number is registered on the payment voucher after which it is filed in the box file for that particular month.	Accountant

A Confirmation letter is prepared by the Coordinator and sent to the bank. The Confirmation letter is signed by two signatories to the bank account. Before a cheque can be drawn on the account the bank will check that it is listed in the confirmation letter from the DFA.

Procedures for recording and reporting cheque payments:

Cheque payments

Dr – Expenditure (respective activity code)

Cr – Cash book (respective bank code)

Note:

1. As long as the cheque payments have not been presented to the bank and funds have not been debited off the bank account, the same cheque will appear in the bank reconciliation as an un-presented check.
2. If the cheque is not presented for a period of over six months, the amount will be recorded through entries below:
 - Dr – Cash book (respective bank code)
 - Cr – Expenditure (respective activity code)

(It is important to keep record of the reversed transaction as part of the commitments in case the payee turns up later with the stale cheque)

6.2. Bank Transfers

Description	Responsibility
On receiving documents for payments, they are checked that all documents received are originals.	Accountant
The availability of funds as per approved budget for the respective activity is checked.	Accountant
A payment voucher, a letter to the bank with transfer instructions and a cheque to the bank are prepared and forwarded together with the supporting documents to Coordinator.	Accountant
The documents are reviewed and if found correct the payment voucher, the letter and cheque are signed and forwarded together with the supporting documentation to the chairman.	Coordinator
The documents are reviewed and if found correct the payment voucher, letter and cheque are signed and returned together with the supporting documentation to	Chairman

the Accountant	
The cheque and Letter with transfer instructions are taken to the bank where the receipt is acknowledged by the bank by stamping and signing a copy of the letter.	Accountant
The payment voucher and supporting documentation are stamped "paid" with the date of the transfer.	Accountant
The payment is entered in Cash Book and the document number is registered on the payment voucher after which it is filed in the box file for that particular month	Accountant
The receipt from the payee is attached and filed with the payment voucher	Accountant

Procedures for recording and reporting payments through bank transfers:

Bank transfer payments

Dr – Expenditure (respective activity code)

Cr – Cash book (respective bank code)

6.3 Cash Payments

The cash payments procedures are outlined in the table below;

Description	Responsibility
On receiving documents for payments it is checked that all documents are originals and that the amount is less than 200,000.	Accountant
The availability of funds as per approved budget for the respective activity is checked.	Accountant
A payment voucher is prepared and forwarded together with the supporting documents to the Coordinator.	Accountant
The documents are reviewed and if found correct the payment voucher is signed and returned to the Accountant.	Coordinator
The cash is handed over to the payee and an acknowledgement from the payee in form of a receipt is received.	Accountant
The payment voucher and supporting documentation are stamped "paid" with the date of the payment.	Accountant
The payment voucher is entered in the Cash Book and the document number is registered on the voucher after which it is filed in the box file for that particular month.	Accountant

Cash is kept in the safe and total amount of cash that the DFA can hold should not exceed 500,000/-. The keys to safe are kept by the Accountant.

Recording and reporting cash payments:

Dr – Expenditure (respective activity code)

Cr – Cash book (petty cash code)

7.0 Payroll Procedures

The objective of the payroll procedure is to ensure that salaries and other benefits to DFA employed staff is accurately computed and authorized in accordance with the guidelines.

Furthermore all salaries and benefits will be duly recorded and the relevant statutory deductions computed within the stipulated time by law.

The payroll procedures are outlined below;

Description	Responsibility
The Accountant is notified about changes in the salary or other benefits for employees. All staff should have registered with NSSF before they make one month with the DFA. This will avoid placing staff funds in suspense accounts by NSSF thus risk losing their benefits.	Coordinator
At the end of each month the payroll with schedules clearly showing the statutory deductions like P.A.Y.E., N.S.S.F is prepared together with payment vouchers, transfer of salary, P.A.Y.E. and N.S.S.F.	Accountant
Checking and verifying the payroll for correct deductions and net pay	Coordinator
Checking and verifying that all changes to the payroll such as additions have supporting documents such as contracts.	Chairman
Approval of staff salary payroll	Chairman
From here the relevant payment procedures in chapter 6 apply.	

8.0 Procurement Procedures

The objectives of the procurement procedures are to ensure that the DFA obtain the best overall value for money and that the procurement is done in a fully transparent way.

Among the typical procurements for DFA are:

- office stationery
- office supplies
- equipment & tools
- maintenance services

The procedures for procuring these and other goods and services are as follows:

Description	Responsibility
A purchase requisition is raised by the department/person in need of the item/service. All requisitions should be in the format indicated in annex 8	User of item required.
Confirm availability of funds for the items to be procured. The confirmation involves checking whether the required items are within the right budgets limits for the particular budget line.	Accountant
Source and obtain three proforma invoices (quotations) from reliable suppliers. The DFA may choose to select reliable suppliers for various items/services. This list should be pre-approved by the DEB and all purchases of goods / services should be made from the list without sourcing for other quotations.	Accountant
The 3 quotations are reviewed and the best "overall" offer is selected. In selecting the best 'overall', the coordinator shall select the lowest quotation with acceptable quality. If a quotation with a higher price is chosen, a proper explanation should be attached and shall be subject to approval by the Chairman. A procurement committee headed by the Chairman and comprised of the Coordinator, accountant, treasurer and at least one person from the DEB Finance committee shall be responsible for carrying out quotation evaluations using the form in Annex 19.	Coordinator
Write an LPO with specifications for approval. The LPO should be written on a pre-numbered template in the format indicated in Annex 17.	Accountant
Approval of the LPO	Chairman / Treasurer and Coordinator
Submission of the LPO to the supplier	Accountant
Check delivery and if found OK sign the delivery note. The delivery note should be checked against the original LPO by a person different from the one who raised and sent the LPO to the vendor.	Accountant
From here the relevant payment procedures in chapter 6 apply.	

If a procurement exceeds 5 million, the transaction shall be approved by DEB before an order is placed.

9.0 Imprest /Advance Procedures

The objective of the imprest/advances procedures is to ensure that those advances are Authorized, recorded and accounted for in time. The advances should be made after confirming that previous imprest has been fully accounted for.

9.1 Personal Imprest/advances

Personal imprest may be given in the following situations:

- for field activities
- for workshops where allowances etc. are paid out
- For procurement, were a supplier will not accept a cheque

The following regulations apply for personal imprest:

- 2/ An imprest should be retired within a week after the activity has been completed.
- / All previous imprest must be retired before a new imprest can be applied for.

Procedure for imprest application is outlined below:

Description	Responsibility
An imprest/advance requisition explaining the purpose of the imprest and including a budget is submitted to the Coordinator.	Applicant
It is checked that the applicant has no outstanding imprest/advance.	Accountant
From here the relevant payment procedures in Chapter 6 apply.	
The amount paid out is recorded in Cash Book as an individual advance on the applicants "account".	Accountant

Procedure for imprest retirement:

Description	Responsibility
The Accountability is submitted to the Accountant and any excess funds paid to him.	Imprest holder
It is checked that the accountability is proper and that the funds have been used as specified in the application. It is ensured that the full amount is accounted for.	Accountant
A journal voucher is prepared and forwarded together with the accountability to the Coordinator.	Accountant
The journal voucher and the accountability is checked, approved and returned to the Accountant	Coordinator
From here the relevant payment procedures in Chapter 5 and 6 apply.	
The amount is recorded in Cash Book as a repayment of an individual advance on the applicants "account".	Accountant

The Accountant will be charged with the responsibility of sending reminders to the imprest holders to retire their advances and preparing a weekly report on the status of advances. Up to two reminders should be sent, which will be documented on the file. Failure by the imprest

holder to comply will imply that the matter will be brought to the attention of the Coordinator. Remedies such as salary deductions may have to be applied if deemed necessary.

10.0 Transport, Duty Travel

The objective of a travel and transport procedure is to ensure that the expenditure on travel is budgeted for, appropriately authorized, accurately recorded and properly accounted for (i.e. supported by appropriate documentation).

Procedures:

- a) Maintenance expenditure for DFA vehicles and motorcycles shall follow the same procurement procedures in section 8 above.
- b) Travel expenses which involve advances shall follow the imprest and advance procedures in section 9 above.

Responsible persons:

- 2/ The Coordinator is responsible for planning the use of the DFA vehicles and motorcycles.
 - / The Coordinator is responsible for service and maintenance of the DFA Motorcycle & vehicles.
- 4/ The Accountant checks and signs the log books each month. Any abnormalities should be reported to the Coordinator.
 - / The Accountant prepares monthly motorcycle & vehicle reports and submits them to the Coordinator.

11.0 Bookkeeping Procedures

The objectives of the bookkeeping procedures are to ensure that all transactions are entered correctly and that all daily, monthly and annual tasks are performed timely.

Bookkeeping is done in the Cash Book. All financial transactions that are authorized and adequately approved are entered in the cash book.

11.1 Daily Procedures

Daily Bookkeeping procedures are outlined below;

Description	Responsibility
All receipts, payments vouchers and journal vouchers are entered in the Cash Book.	Accountant
The cash balance is reconciled with the cash book and the bank balance with the balance in the cheque register and any errors are corrected.	Accountant
All entries on the cash book are compared with the vouchers and any errors are corrected.	Accountant

11.2 Monthly Procedures

Monthly bookkeeping procedures are outlined below:

Description	Responsibility
Cash and bank balances are reconciled with the cash book and the bank statements. If any errors are detected they are corrected. A bank reconciliation is then prepared.	Accountant
Cash and Bank reconciliations are then reviewed for accuracy and completeness and signed off.	Treasurer
The reviewed bank reconciliation is then filed with a copy of the respective bank statement and the cash book for the last day of the month.	Accountant
All entries in daily cash books are consolidated to obtain monthly accountability reports.	Accountant
Consolidated monthly accountability reports are reviewed and signed off for completeness and accuracy.	Coordinator
Consolidated monthly accountability reports are presented to the DEB for approval.	Chairman

11.2 Annual Procedures

After performing monthly procedures for the final month in the reporting period, the following procedures are performed;

Description	Responsibility
Consolidate monthly reports into annual reports.	Accountant
Prepare annual fund accountability statements using formats described in annex 13.	Accountant
Prepare the DFA balance sheet using formats described in annex 14.	Accountant
Prepare the DFA cash flow using formats described in	Accountant

annex 15.	
All the above annual reports are reviewed for completeness and accuracy and signed.	Coordinator and Treasurer
All the above reports are approved.	DEB

12.0 Reconciliation Procedures

The objectives of the reconciliation procedures are to ensure that the bookkeeping has been done correctly and that all differences between the balances in the accounts of the DFA, the bank and Donors can be explained.

12.1 Cash Reconciliation

Description	Responsibility
On the last day of the month the cash in the safe is counted and compared to the balance in the cash book.	Accountant / Coordinator
A cash reconciliation form (see Annex 6) is prepared and signed off by the preparer.	Accountant
The cash balance in Cash book is recorded on the cash reconciliation form and the form is signed.	Coordinator
The reconciliation is reviewed by an independent individual and signed off.	Coordinator
Any differences between the counted cash and the cash book balance are investigated and explained. The necessary corrections are made.	Coordinator/ Accountant

In addition to the above surprise cash counts will be carried out by the Coordinator. They will be documented on the same form. These surprise cash counts shall be conducted separately from end of month cash count.

12.2 Bank Reconciliation

Description	Responsibility
On the second work day in a new month, the bank statement from the previous month is collected from the bank.	Accountant
A bank reconciliation is prepared (see format in Annex 7) and any difference between the balances in the accounts of the DFA and the bank is explained. The reconciliation is signed.	Accountant
The reconciliation is checked and approved.	Chairman/ Coordinator
In case of errors in the bank statement the bank is notified.	Accountant

12.3 Bank Charges

Description	Responsibility
When receiving the bank statement it is checked if there are any bank charges or interest payments.	Accountant
A journal voucher is prepared and forwarded to the Coordinator.	Coordinator
The journal voucher is checked, approved and returned to the Accountant.	Coordinator
The payments are entered in Cash Book and the document number is registered on the journal voucher after which it is filed in the box file for that particular month.	Accountant

13.0 Asset and Stores Management Procedures

The chapter describes the regulations and guidelines for the fixed assets and stores management

13.1 Fixed assets

Fixed assets are defined as buildings, vehicles, equipment, fixtures, fittings and any other equipment used in the DFA's day to day operations with a useful life of over one year and cost of UGX 500,000/- or above. Fixed assets shall be engraved using the numbering system developed by the DFA at the point of acquisition (i.e. after being received by the DFA). The DFA coordinator should ensure that all assets of the DFA are kept in good working condition. This will involve ensuring that servicing and maintenance is done on time by a reputable service provider. The DFA shall maintain an asset register, which will have a list of all DFA assets indicating the asset details.

The assets register shall be verified at the end of the financial year by the Chairman and the Treasurer. The verification should be documented and signed for.

The damage or loss of any fixed asset has to be reported to the Chairman. Theft will always be substantiated by a police report. No fixed asset can be written off without the written approval by DEB.

Fixed assets shall be insured in accordance with the respective donor's guidelines. For instance, fixed assets that are already covered under the donor's insurance policy shall not be insured separately by the DFA. The DFA will discuss with the respective donor on how to handle insurance for assets not covered under the donor's insurance policy.

Fixed assets shall be depreciated in accordance with the respective donor's guidelines.

Fixed Assets maintenance procedure is outlined below:

Description	Responsibility
Reporting of break down or impairment to Coordinator.	User
Analyze the problem and specify repair and parts needed, advise on procurement of spares parts	Service provider
Forward request for spare parts for approval.	Accountant
Approval of request	Coordinator/ Chairman
Process payment	Accountant
Avail spares parts & carry on repair	Service provider
Filling documents	Accountant

13.2 Stores Management

This section aims to provide DFA's with a checklist of good practices in stores management. The types on stocks held by DFAs include: Demonstration Kits, labels, gum boots, stationary/supplies, Demo signposts repainted, Seedlings for wood lots, tools and among others.

Purchase/acquisition of inventory:

Inventory items are purchased using the procurement guidelines indicated in the section 8 above.

Storage and management of inventory:

Description	Responsibility
Upon receipt of items from vendors, they are counted and agreed/reconciled to the LPO before they are taken to the stores.	Accountant
Stock cards are updated with the new items.	Accountant
Upon receipt of a stocks requisition note, the Accountant releases the items, signs the requisition note and updates the stock cards.	Accountant
Upon release of the items, the holder of the requisition note shall sign the note confirming receipt of the items on the note.	Holder of requisition note
The Accountant files a copy of the signed requisition note.	Accountant
At month end, the physical stocks counted and agreed/reconciled to stock cards. A report of stocks held is the prepared.	Accountant
The stocks report is reviewed and approved	Coordinator

14.0 Reporting Procedures

The Objective of these procedures is to provide timely and relevant information for control and management of the DFAs funds.

14.1 DFA supported activities

These are activities that are supported by the DFA using its own generated income. The DFA shall prepare monthly and annual activity and financial reports. The monthly financial reports will include a cash & bank reconciliations statements and income statements. The Annual financial report will include an income statement, Cash flow statement and balance sheet. The financial reports shall be submitted to the treasurer who reviews and approved by the chairman. The approved financial reports are submitted to the DEB.

The table below outlines the reporting procedures

Reports	Responsible	Time	Report to
Monthly			
Cash & Bank reconciliation	Accountant	3 rd day following end of month	Coordinator /Treasurer
Income and expenditure statement	Accountant	7 th day following end of month	
Annual			
Cash & bank reconciliation	Accountant	5 th day following end of month	Coordinator /Treasurer
Income and expenditure statement	Accountant	10 th day following end of month	
Cash flow statement	Accountant	10 th day following end of month	
Balance sheet	Accountant	10 th day following end of month	

The Treasurer will present the reports to the DEB and where relevant forward them to donors.

14.3 DAR 3/RALNUC3 supported activities

These are activities supported by DAR3/RALNUC3. The DFA shall prepare quarterly activity and financial reports. The financial reports and the expenditures documents shall be reviewed by the treasure and approved by the chairman. The approved financial reports and documents shall then be submitted to the Coordination Function offices. These shall include the following;

- Bank reconciliation statement
- Cash Reconciliation statement

- Copy of cash book
- List of unaccounted for Imprest or advance
- Income and expenditure statements
- Balance Sheet
- Budget vs. Actual expenditure report (grouped by output and activity).
- Explanations to deviations from budget
- List of commitment at the end of period

15.0 Audit

The DFA Accounts shall be audited by a reputable auditor who is a certified public accountant. For the DFAs receiving DANIDA support activities, it is mandatory that an annual audit is carried out.

The Accountant will prepare accounts ready to be audited. The terms of reference for the audit shall be prepared by the Treasurer and approved by the District Executive Board and where required by the donors. The final audit report shall be signed by the chairman of the Board.

Independent auditors of the DFA shall be appointed by the DEB and approved by the donor where relevant. The auditors shall be rotated after a period determined by the DEB and agreed upon by the Donor.

ANNEXES

Annex 1. Expenses Claim Form

District Farmers Association

Expenses Claim Form

Name: _____

Date & Amount: _____

Purpose of Expense: _____

Item No.	Receipt No.	Date of Expense	Description	Amount

Employees signature:

Approval by

Coordinator

Date approved.....

Annex 2. Travel Accountability Form

District Farmers Association

Name of Staff:

Designation:

Date of Departure: Date of Return to office.....

Activity code:

Purpose of trip.....

.....

Part 1: Distance covered

Date	From	To	Transport
.....
.....

Part 2: Night/ spent

Date	Location	Night Allowance (Fixed rate)
.....
.....
.....
.....

Total allowance:.....

Part 2: Fuel consumption

A. Start date: Fill the tank: Ltr. Tachometer start: Km.....

B. Fuel purchased during trip:

Date	Receipt no.	Litres	Cost
.....
.....
.....
Total:

C. Finishing date: Fill the tank: Ltr:..... Tachometer end: Km.....

Distance covered:..... Fuel consumption:..... **Km/ltr:.....**

Part 3: Other claims

Date	Particulars	Amount
.....
.....
.....
.....

Total other claims:.....

Advance taken: Date.....

Total claim:

Balance returned/refunded:

Received by:

Accountability presented by:

Approved by.....

Checked by:.....

Annex 3. Journal Voucher

District Farmers Association

Journal Voucher

No.

Date.....

Description	Account	Activity code	Debit	Credit
Total				

Prepared by:.....

Accountant

Approved by:.....

Coordinator

Annex 4. Receipt

District Farmers Association

No.

RECEIPT

Date.....

Received with thanks from.....
.....

The sum of shillings.....

Being payment in respect of
.....

..... Balance.....

Cash/Cheque no:

Ushs.

With Thanks

Signature:

Annex 5. Cheque/Cash Payment Voucher

District Farmers Association

Payee:

No.: -----

Date: -----

A/C Code	Dept	Activity	DR	CR

Purpose of payment: -----

Cheque no: _____

Amount in figures (Shs):

Amount in words (Shs):

Prepared by: _____

Signature _____

Date: _____

Approved By: _____

Signature _____

Date: _____

Authorized By: _____

Signature _____

Date: _____

Received By: _____

Signature _____

Date: _____

Annex 6. Cash Reconciliation

DFA Cash Reconciliation

Location:		Date	
Currency : UGX			
I	Cash Reconciliation		
		<u>Amount</u>	
	Cash in hand at	0	
	Cash in safe	0	
	Cash Balance at start of month	<u>0</u>	1
Note 1	Add Receipts:		
	<u>Transfer to cash</u>		
	<u>Date:</u>	<u>Amount</u>	
	From Bank	0	
	From Other UNADA Projects	0	
	Other Receipts	0	
		<u>0</u>	2
Note 2	Subtract Payments for Month:	0	3
	Difference over/(under) :		
	Closing Cash Counted:	<u>0</u>	1+2-3
II	Cash Count		
	Cash on Hand	0	1
	Floats Outstanding (IOU's)	0	2
	Cash in Safe	0	3
	Total Cash Counted at the end month	<u>0</u>	1+2+3
<i>Completion Notes</i>			
1. Receipts for period,	Prepared By	_____	
	Cash/Bank Book form		
2. Expenditure for period,	Reviewed By:	_____	
	Cash/Bank Book form.		
3. Floats per Float Cor	Confirmed by:		

Annex 7. Bank Reconciliation

DFA			
Location:			
Account Name:			
Account No:			
Currency:			
<u>BANK RECONCILIATION</u>			
Date of Month Ending: _____			
Balance as per bank statement			
To reconcile with Cash Book:			
Add- Uncredited Cheques / Lodgements			
Description	Date	Amount in UGX	
Subtract - Unpresent Cheques			
Cheque No.	Details	Date	Amount in UGX
Balance as per Adjusted cash book at date of Bank statement			
Opening balance at the beginning of the month			
Add:		Lodgements (Deposits)	
Less:		Payments / Withdrawals	
Bank Charges			
Balance as per cash book at date of the month end			
Prepared by: _____		Date: _____	
Checked by: _____		Date: _____	
Confirmed by: _____		Date: _____	

Annex 8. General Requisition Form

District Farmers Association

General Requisition Form

Date.....

Name of staff making request.....

Designation.....

Activity/ Budget Line.....

Amount of money required.....

Amount in words.....

.....

Purpose for which money is required.....

.....

.....

Signatory

Requester.....

Checked by:

Coordinator

Approved by:

Chairman/Treasurer

Annex 10. Log Book

District Farmers Association

Log Book

Reg.no of M/cycle..... Month/Year

Date	Counter on arrival	Trip km	Time of		Qty(Litres)		Users Signature	Destination	Purpose of the Trip	Activity No
			Dept.	Arr	Petrol	Oil				

Approved by:

.....
Coordinator

Annex 11. Visit Plan

District Farmers Association

Visit Plan

Date	Membership No	Name of farmer visited	Parish/ Sub-county	Activity undertaken	Time	Length Of stay	Signature/ Comment

Annex 12 (a). Budget Vs Actual Expenditure

Budget Vs Actual Expenditure for

Activity	Budget	Actual Expenditure	Variance	0/0	Remarks

Prepared by

Approved by.....
Chairman/Treasurer

Annex 12 (b). Budget Vs Actual Expenditure

Budget Vs Actual Expenditure for DAR3 Supported Activities

DFA NAME -

Activity		Quarterly Budget	Actual - UGX	Variance
#	Name	UGX	Reported by DFA	Budget less Actual
1	Output 1:			
1.1				
1.2				
	Total for output 1			
2	Output 2:			
2.1				
2.2				
	Total for output 2			
3	Output 3:			
3.1				
3.2				
	Total for output 3			
4				
4.1				
4.2				
	Total for output 4			
	Total for _____ DFA			

Prepared by Date Reviewed by Date

Approved by..... Chairman/Treasurer Date.....

Annex 13. Income and Expenditure statement

.....**District Farmers Association**

Income and Expenditure Statement
For the period

Income

Grant
Advances
Opening Bank & Cash balance

Less: Expenses

Staff Salaries
Local Travel expenses
Night Allowances
Stationery and office supplies
Bank charges
Communication
Training
Fuel expenses
Telephone, Fax & email
Postage
Printing and photocopying
Electricity and water
Repair and maintenance
Mileage expenses
Other expenses

Total Expenditures

Closing Balance Cash & Bank

Deficit/Surplus

Prepared by.....
Accountant

Checked by.....
Coordinator

Approved by.....
Chairman/Treasurer

Annex 14. Balance Sheet

District Farmers Association

Balance sheet as at

Non-Current Assets

Plant & Equipment
Building

Total non-current assets

Current Assets

Stock
Receivables
Cash and bank balances

Total Assets

Funds and liabilities

Capital and reserves

Capital fund

Accumulated fund

Total fund and reserves

Current Liabilities

Payables

Total current liabilities

Total equity and liabilities

Approved by:
Chairman/Treasurer

Annex 15. Cash flow statement

Cash flow statements for the year ended.....

Cash flow from operating activities

Surplus/ Deficit for the year

Operating profit before changes in working capital

Increase/Decrease in receivables

Increase/decrease in payables

Net cash flow from operating activities

Cash flow from investing activities

Purchase of fixed assets

Total cash flow from investing activities

Cash and cash equivalents

Closing balance

Opening balance

Net change during the year

Annex 16. Cash Book

**District Farmers Association
Analytical Cash Book**

Date	Vr. #	Particulars	Cash		Bank		Advance Account		Expense Description		
			Dr	Cr	Dr	Cr	Dr	Cr	Activity Code	Output Code	Description
Total			-	-	-	-	-	-			

Net cash / bank balance		-		-							
Balance Brought Forward		-									
Closing Balance											
Total expenses		-		-							

Prepared by..... Date

Reviewed by Date

Accountant

Coordinator

Approved by: Date

Chairman/Treasurer

Annex 17. Local Purchase Order

_____ **District Farmers Association**

Local Purchase Order

No.: -----

Date: -----

To: -----

Unit	Number	Description	Rate	Amount-UGX
Total		Inclusive of Taxes		

Amount in words -----

Terms accepted by supplier -----

Prepared by: _____
 Signature _____
 Date: _____

Approved By: _____
 Signature _____
 Date: _____

Prepared by: _____ (Chairman/Treasurer)

Signature _____

Annex 18. Asset Register

Account code	Type	Acquisition date	Make	Assets Particulars	Supplier Name	User	Cost	Status

Annex 19. Quote Evaluation Form

QUOTE EVALUATION FORM													
E													
B				C				D					
	Price	*	*	Currency	Price	*	*	Currency	Price	*	*	Currency	
	Sub-total				Sub-total			Sub-total					
1													
2													
	Total												
* Columns can be used as required for Delivery Point, Delivery time, Specifications, Insurance, Spares, Service, Transport Costs, Inspection, Reliability, Guarantee, Quality etc													
2													
Q	Q	D											
			2									4	
	Name:												
	Date:												
	Signature:												
B													
I approve the purchase of the supplies from:				<i>(authoriser to insert the name of his/her approved supplier)</i>									
(Supplies Request) Authoriser Name and Signature													
E													

Annex 20. Cheque Dispatch Register

Accountable Officer				Official Designation			

Date	Cq. No.	P.V. No.	Payee	Amount	Description	Dispatched by (Signature)	Cheque received by	Signature

Prepared by: _____ Signature: _____

Verified by: _____ Signature: _____