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APPROVED

## FINANCE MANAGEMENT MANUAL

APPROVED BY THE UNIVERSITY COUNCIL

ON MONDAY 2<sup>ND</sup> SEPTEMBER, 2019

FOR

**Kabale University**  
**P O Box 317, Kabale-Uganda**  
**Plot 364, block 3, Kikungiri Hill Kabale Municipality**

## FOREWORD

Despite its infancy, Kabale University has been steadily growing since its establishment as a public university in 2015. It has been progressively building critical systems, structures and policy tools to lead it towards maturity of good governance. This financial management policy is one of the tools it has developed to assist in putting in place the systems and structures needed for good governance of the University.

The University will continue to steadily live-up to its Vision and Mission. The Vision of Kabale University is: “*A distinct, vibrant People centred University in the Great Lakes Region and beyond*” while its Mission is: “*To excel in generation and dissemination of relevant knowledge and skills development for lifelong learning and Community Service*”.

The quality of its graduates will continue to be the best representation of its commitment to live up to its vision, mission and core values, and to grow into one of the best Universities in the region.

One of the most fundamental pillars of good governance at Kabale University is the development of the University policy tools to guide the implementation of programs and activities. The University Council is indeed glad to have approved the “Kabale University Finance Management Manual, 2019” which will guide and streamline the management of financial and operational resources.

I wish to thank the University Council, Management, staff and students for the good work well done in the development of this Policy Manual.

I am glad to pronounce that this Manual was duly approved by the University Council **under Minute No.....** and will be operational with effect from **2<sup>nd</sup> September 2019**

.....

Hon. Manzi Tumubweinee  
Chairperson, University Council

## ACKNOWLEDGEMENT

Kabale University is committed to good governance by, among other things, developing policy tools to help in managing its resources. The approval of this Policy Manual by the University Council is, therefore, a central step towards the achievement of good governance and the actualization of the University vision and mission.

This Finance Management Manual will be instrumental in guiding the University Council, University Management, staff and the Students Guild in managing the University affairs. The various regulations, rules, systems, processes and procedures outlined in this Manual are intended to give guidance for compliance by all stakeholders to ensure that the ethical conduct expected of the institution is upheld.

I wish to sincerely thank the University Council for approving this Finance Management Manual as a gesture to its continued commitment to good governance and policy guidance. In the same vein, I wish acknowledge the various University stakeholders including the offices of the University Secretary and the University Bursar, the members of the University Management Committee, the Finance, Planning and Resource Mobilization Committee and the University Council for their valuable roles during the process of developing this important Manual.

I encourage all the University stakeholders to keenly read, uphold, protect, implement and comply with this Manual in order to strengthen University’s good governance in general and financial management in particular.

.....

Prof. J. C. Kwesiga  
**VICE CHANCELLOR**

**LIST OF ACRONYMNS**

AG          Accountant General

AIMS	Academics Information Management System
AO	Accounting Officer
AR	Academic Registrar
BEH	Bachelor of Environmental Health
BNS	Bachelor of Nursing
COA	Chart of Accounts
DOS	Dean of Students
DVC	Deputy Vice Chancellor
FMC	Finance Management Committee
GRC	Guild Representative Council
IFMS	Integrated Financial Management System
IAS	International Accounting Standards
IPPS	Integrated Personnel and Payroll System
IPSAS	International Public Sector Accounting Standards
KAB	Kabale University
MOES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoPS	Ministry of Public Service
MBChB	Bachelor of Medicine and Bachelor of Surgery
NCHE	National Council for Higher Education
NSSF	National Social Security Fund
NUEI	National Union of Educational Institutions.
PAYE	Pay As You Earn
PFMA	Public Finance Management Act 2015
PDU	Procurement and Disposal Unit
TIN	Tax Identification Number
UB	University Bursar
UMC	University Management Committee
UNSA	Uganda National Students Association
UOTIA	Universities and Other tertiary Institutions Act 2001 (as amended)
US	University Secretary
VC	Vice Chancellor

# TABLE OF CONTENTS

FOREWORD.....	ii
ACKNOWLEDGEMENT .....	ii
LIST OF ACRONYMNS.....	iii
DEFINITION OF KEY TERMS.....	ix
CHAPTER 1 .....	1
INTRODUCTION .....	1
1.0 Background Information .....	1
1.1 The University Vision and Mission.....	1
1.2 The University Financial System .....	2
1.3 Purpose of this Manual .....	3
1.4 Authority of the Manual .....	3
1.5 Scope of the Manual .....	3
1.6 Updates and Revision.....	4
CHAPTER 2 .....	6
GENERAL FINANCIAL MANAGEMENT GUIDING PRINCIPLES AND POLICIES...6	6
2.1 Accounting Method.....	6
2.2 Foreign Currency Transactions.....	6
2.3 Revenue Recognition .....	6
2.4 Matching Principle .....	6
2.5 Prudence .....	7
2.6 Accrual Principle.....	7
2.7 Historical Cost Principle .....	7
2.8 Going Concern .....	8
2.9 Consistency .....	8
2.10 Fair Value Principle.....	8
2.11 Disclosure Principle .....	9
2.12 Accounting policies .....	9
CHAPTER 3 .....	10
FINANCIAL MANAGEMENT STRUCTURES, RULES AND ACCOUNTABILITY .. 10	10
3.1 Key Financial Management Structures .....	10
3.1.1. The University Council.....	10
3.1.2. The Audit and Risk Management Committee .....	11
3.1.3 The Finance, Planning and Resource Mobilization Committee.....	12

3.1.4. The University Management Committee.....	13
3.1.5. The Finance Management Committee.....	14
3.1.6. The Vice Chancellor.....	15
3.1.7. The Deputy Vice Chancellor (Finance and Administration) .....	15
3.1.9. The University Bursar.....	18
3.1.10 The Heads of Administrative/Academic Department and Faculty Deans .....	21
3.1.11 The Head of Internal Audit .....	22
3.1.12. The Head of Planning Unit .....	22
3.1.13 The Other University Staff. ....	23
3.2. Accountability for Funds and Other Resources. ....	24
3.3. Rules for Management of University Financial Resources. ....	26
CHAPTER 4.....	26
BUDGETING AND BUDGETARY PROCESS.....	26
4.0 Preliminary information .....	26
4.1. Budgeting 27	
4.2. General Principles of Budgeting .....	27
4.4. The Budgeting Process.....	29
4.5. Revenue Estimates .....	30
4.5.1. Government Grants and Subventions.....	30
4.6. Expenditure Estimates .....	31
4.7. Budget Estimates and Plans .....	31
4.9. Alignment with Government Budgeting Process .....	32
4.10. Recurrent and Development Estimates. ....	32
4.11. Budget presentation and approval .....	33
4.11. Budgeting for Donor Funded Projects. ....	34
4.12. Approval of the Budget Estimates and Plans.....	34
4.13. Basis of Revision of Budget Estimates. ....	35
4.14. Budget Implementation and Monitoring.....	35
4.15. Budgetary Control .....	35
CHAPTER 5.....	36
CASH AND TREASURY MANAGEMENT .....	36
5.1. Selecting the University's Banks .....	36
5.2 Authorized Signatories .....	36
5.3 Managing Bank Accounts.....	37

5.4	Bank Reconciliation Statements.....	37
5.5	Receipt of revenues .....	38
5.6	Setting and management of University fees and charges .....	39
5.7	Assessment of financial flows and commitment .....	39
5.8	Prepayments .....	39
5.9	Cash flow statement .....	40
	CHAPTER 6.....	43
	EXPENDITURE CONTROL MANAGEMENT .....	43
6.1	General Expenditure Control Policies and Procedures .....	43
	g) The University shall stamp on each paid invoice with the word “PAID” upon payment....	44
6.3	Payment by Letter of Transfer. ....	44
6.4	Cash Payments.....	44
	6.5 Expenditure Approval .....	45
	CHAPTER 7.....	45
	PROPERTY, PLANT AND EQUIPMENT.....	45
	7.1 General Policy Guidelines .....	46
	7.2 Acquisition .....	46
7.4	Recording .....	47
7.4	Custody.....	48
7.5	Disposal .....	48
7.6	Reporting.....	48
	CHAPTER 8.....	50
	PROCUREMENT AND INVENTORY MANAGEMENT.....	50
8.1	Procurement Policy Guidelines .....	50
8.2	Procurement Requisition Form .....	50
8.3	Contracts Committee .....	50
8.4	Purchase Order .....	51
8.5	Stores and Inventory Management procedures.....	51
8.6	Goods Received Note .....	52
8.7	Payment for Goods and Services .....	52
8.8	Controls over Acquired Assets .....	52
	CHAPTER 9.....	54
	PAYROLL MANAGEMENT.....	54
9.1	Preparation of Payroll .....	54
9.2	Payment of Salaries, wages and allowances.....	56

9.3	Funding of the Payroll .....	56
9.4	Staff Salary Loans .....	56
	CHAPTER 10: .....	58
	CHART OF ACCOUNTS AND OPERATING SOFTWARE.....	58
10.1	Chart of Accounts .....	58
10.2	Data security and Backups.....	58
10.3	Objectives of the accounting system .....	58
10.4	Basic recording and books of accounts .....	59
10.6	Integrated Financial Management System (IFMS).....	59
10.7	Implementations of IFMS .....	60
	CHAPTER 11: .....	61
	FINANCIAL REPORTING .....	61
11.1	Fair Presentation and Compliance with International Public Sector Accounting Standards (IPSASs) .....	61
11.2	Qualitative Characteristics of Financial Statements .....	61
11.3	Notes and Supplementary Schedules.....	62
11.4	True and Fair View .....	62
11.5	Communication of Standard Accounting Guidelines .....	63
11.6	Common Information in Financial Statements .....	63
11.7	Monthly and Annual Reporting Procedures .....	64
11.8	Financial Control .....	65
	SCHEDULES .....	66
	FIRST SCHEDULE: THE UNIVERSITY MANAGEMENT COMMITTEE.....	66
	SECOND SCHEDULE: UNIVERSITY FEES AND CHARGES .....	66
	THIRD SCHEDULE .....	67

## DEFINITION OF KEY TERMS

**Accounting Officer:** The term “Accounting Officer” means the University Secretary as specified in Section 33(3b) of the UOTIA 2001 (as amended) or any other officer appointed in accordance with section 3 of PFMA 2015 (as amended)

**Academic Department** means the teaching department which functionally reports to Faculty or a School.

**Administrative Advance:** This refers to all monies paid in advance to any employee or other officials of the University, other than salary advances, to carry out activities on behalf of the University. Such advances shall be accounted for by providing acceptable evidence, documentation or explanation confirming the appropriate use of the funds for the intended activities.

**Administrative Department** unless otherwise defined, means a non-teaching department of the University which shall include the departments directly headed by the Vice Chancellor, the University Secretary, University Bursar, Dean of Students, the University Library, the Academic Registrar and any other non-teaching department or office created and/or elevated by the University to the same or higher level as the aforementioned departments.

**Basic salary:** This shall be the salary entitled to by a University employee by virtue of his/her employment, without any conditions attached it. The basic salary shall be inclusive of NSSF, PAYE and/or any other allowable deductions.

**Cash:** Cash means: notes, coins, credit cards, money orders, debit card and cheques/drafts, promissory notes and any other payment instrument or method acceptable by the bank of Uganda that results into earning of cash.

**Gross salary:** This shall be the basic salary plus any other allowances or benefits that may be earned by an employee of the University as a result of applicable and/or allowable conditions or circumstances. The applicable and/or allowable allowances or benefits that may turn a basic salary

into gross salary may include the following; housing allowance, acting allowance, extra duty allowance, bonus earnings, and gifts.

**Fees:** The term “fees” as used in this manual means all students’ fees and includes tuition fees, functional fees and other charges which shall be specified in the student’s admission letters. A list of such fees is set out in second schedule of this Manual.

**Internal audit** means an independent, objective, assurance, consulting and appraisal function established by the University to examine and evaluate its activities as a service to the University;

**Internal controls** means the systems of control devised by the University Council to ensure that the University’s objectives are achieved; University Council policies are adhered to in a manner that promotes the economy, efficiency and effectiveness on the use of resources; that financial and other records are reliable and complete; and that the University’s assets and interests are safeguarded

**Manual:** The term “Manual”, unless otherwise specified, means this Finance Management Manual.

**Net Salary:** This shall be the salary that a University employee shall receive from the University after deducting PAYE, NSSF and other statutory, allowable and/or authorized deductions.

**Purchase Order:** A purchase order which may also be referred to as a Procurement order or Local Purchase Order means a written instrument issued by the University to a prospective supplier or service provider demanding for supply of specified goods or services at the stated conditions indicated therein.

**Risk Management:** means the establishment of policies, controls, procedures and/or practices to identify, analyze, quantify, monitor and/or control exposures of the University and its assets so as to minimize its potential or actual losses;

**Treasury:** This is the treasury of the University which means the offices, situations or places where the University funds are authorized to be stored including the cash office and bank accounts.

**Students Guild:** Means the entire students’ body of Kabale University.

**Students Guild Leadership:** Means the team of University Students elected by the Students to be their leaders in accordance with the Students Guild Constitution. The Guild leadership, for the purpose of this Manual, includes the Guild Cabinet, the Guild Representative Council (GRC),

**Subvention:** The term “subvention” means the appropriation of funds to a vote for on-ward transfer to an entity which is not a vote [Section 3 of PFMA 2015 (as amended)]

**Students Sports Union:** means a body of the Students that was either elected or appointed to take leadership in managing the sports activities of the students.

**University:** Unless otherwise specified, the term University means Kabale University.

**University Council:** The term “University Council” means the Kabale University Council.

**University Management:** The term “University Management” wherever used in this Manual, unless specified means the Kabale University Management.

**Virement:** means a re-allocation or transfer or change of approved funds between budget items within the same vote of an academic/ administrative department or faculty or school or project.

**Vote Cost Centre Manager:** means the University’s senior employee who is designated to manage the funds that have been budgeted for under academic/administrative departments, Faculties, Schools, Institutes, Projects and/or other Sections or Units of the University as may be determined by the Accounting Officer from time to time.

## CHAPTER 1

# INTRODUCTION

### 1.0 Background Information

Kabale University opened its gates in 2002 to 42 students, but presently (in 2019) has an total enrolment of about 3000 students; coming from all parts of Uganda, Kenya, Tanzania, Rwanda, Burundi, Democratic Republic of Congo and South Sudan. Kabale University (KAB) was granted a *Charter (Certificate No. UI.CH.008 dated 29<sup>th</sup> September 2014)*<sup>1</sup>. The University currently offers fifty three academic programs, of which 12 are at Postgraduate, 26 Undergraduate and 15 Diploma level.

The University is one of the Public Universities in Uganda. It was established by the Parliament of Uganda under Statutory Instrument No. 36 of 16<sup>th</sup> July 2015 in accordance with *The Universities and Other Tertiary Institutions Act, 2001 (as amended)*. This action was as a result of the request by the community of the region. Prior to this, Kabale University was a not-for-profit Private University, created and owned by the people of Kigezi-citizens of the current districts of Kabale, Kanungu, Kisoro, Rukungiri, Rubanda and Rukiga.

Kabale is located in Kabale District in the South West of the Republic of Uganda.

The district lies between 29<sup>o</sup>45' and 30<sup>o</sup>15' East Longitude and 1<sup>o</sup>00' and 1<sup>o</sup>29' South Latitude. It borders with the Districts of Rubanda to the West, Rukiga to the North East and the Republic of Rwanda to the South. The University Main Campus is situated at Kikungiri Hill in Kabale Municipality.

The Kigezi region is cherished by many tourists. It is a famous centre of Endemism, accounting the high and Unique biodiversity including, the mountain gorillas of Mgahinga and Bwindi forests.

The biodiversity is complemented by other unique features such as the rift valley, volcanoes, hilly terrain, not to mention the cool and energizing climate.

Kabale University owns land amounting to 50.808 acres, and is in the process of acquiring additional land for expansion of its programs and activities.

### 1.1 The University Vision and Mission

Kabale University is guided by the following Vision, Mission and Core Values:

- (a) **The University Vision is:** A distinct, vibrant people centred University in the Great Lakes Region and beyond.

*'A Charter is the last stage of Accreditation in Uganda-which is granted by the National Council for Higher Education, after several years of inspection and scrutiny.*

**(b) The University Mission is:**

To excel in generation and dissemination of relevant knowledge and skills development for lifelong learning and Community Service.

## **1.2 The University Financial System**

Kabale University is a unique Institution enjoying the status of being the first ever institution of its kind in Uganda, having metamorphosed from Private to Public status, as well as being chartered. As a rapidly growing organization, the University would like to develop and implement sound financial systems that comply with internationally accepted accounting standards generally applicable to Public Sector Organizations. The University has several administrative units that support its core activities.

The University's financial system encompasses all the personnel, resources, systems and activities that work together to carry out in an effective manner the financial and accounting functions of the University. This manual seeks to streamline the functions of all the elements within this system to ensure that all the activities of the University are carried out in a systematic manner so as to safeguard and add value to assets as well as facilitate and enhance financial reporting.

The implementation of sound financial and accounting systems is therefore designed in such a way as to ensure that:

- a) All transactions shall be executed only upon appropriate approval and authorization;
- b) Valid transactions shall be recorded accurately to permit preparation of financial statements that conform to International Accounting Standards, and all assets shall be safeguarded in a healthy control environment.

### **1.3 Purpose of this Manual**

The purpose of this Manual shall be;

- a) To provide guidelines to all staff at the University, particularly the Finance and Accounting staff for the orderly execution of their respective responsibilities for the purpose of preparing the University's financial statements.
- b) To provide sets of operating and reporting financial standards and practices which comply with internationally accepted accounting standards, including the International Public Sector Accounting Standards (IPSAS).
- c) To ensure that key financial guidelines and requirements of international best practices for the not-for-profit sector are taken into account.
- d) To set out the basic framework of systems that will provide adequate levels of internal controls including budgetary control.
- e) To ensure and promote the principles of accountability and transparency generally referred to as good corporate governance code.

### **1.4 Authority of the Manual**

In developing this manual, consideration was given to all applicable IAS, IPSAS and the requirements of the PFMA 2015(as amended), the Public Finance Management Guidelines 2016 and the Treasury Accounting Instructions 2017.

- a) The manual has the approval of the University Council. Failure to comply with any policies and procedures contained in this manual may render an employee liable to disciplinary action in accordance with the Human Resource Policy of the University and/or other applicable laws of Uganda. A plea of ignorance will not be acceptable as an excuse for non-compliance.
- b) If for any reason a given policy or procedure cannot be implemented, it would be incumbent upon the concerned official to notify the immediate supervisor in writing detailing the circumstances and submitting an alternative policy or procedure to be discussed by management for the subsequent approval by the University Council. Management may endorse or reject the exception and the procedure to be valid as a replacement.

### **1.5 Scope of the Manual**

This manual is intended to cover all aspects of the financial control environment of the University. It seeks to touch on all areas of the system to instill order, direction and focus for efficient and effective performance at all levels of management.

(a) The first chapter introduces the entire work, outlining its purpose and objectives, as well as emphasizing the necessity for updates and revision.

(b) Chapter Two sets forth the guiding principles, detailing the relevant concepts and conventions of the financial system.

(c) Chapters three through thirteen sets out the policies and procedures framework for all aspects of the system. They establish points of reference for all the areas of the system consisting of Financial management operations and rules, budgeting and budgetary process, cash and treasury management, expenditure control management, plant property and equipment, procurement and inventory management, payroll management, grants management, chart of accounts and operating software, financial reporting and audit framework.

## **1.6 Updates and Revision**

a) This is a living manual which will continuously be adapted and aligned to the environment in which the University operates. The manual shall therefore be revised from time to time with the approval of the University Council.

b) Suggestions and ideas on how the manual could be improved should be forwarded to the University Bursar who would liaise with the University Secretary to effect the necessary identified changes for the approval of the University Council.

## **1.7 Effective Date of implementation**

Implementation of this manual shall be effective ..... after the University Council's approval.

## **CHAPTER 2**

# **GENERAL FINANCIAL MANAGEMENT GUIDING PRINCIPLES AND POLICIES**

This chapter gives general guiding principles and policies that govern the accounting treatment and the general financial management systems and procedures as detailed below:

### **2.1 Accounting Method**

The University shall apply the accrual basis of accounting for the entity wide financial statements during the fiscal years. The University would adopt the modified cash basis for specific reports. This basis recognizes income when earned and expenses when incurred.

### **2.2 Foreign Currency Transactions**

- a) The University shall translate all transactions in foreign currency into Uganda Shillings at the rate of exchange prevailing on the transaction date.
- b) Year end balances in foreign currency are translated into Uganda Shillings at the year-end exchange rate.
- c) All realized gains and/or losses shall be recognized in the statement of financial performance while unrealized gains and/or losses will be recognized in the statement of financial position.

### **2.3 Revenue Recognition**

- a) The University shall recognize grants as revenue when the grants are earned or upon receipt of the funds into the University's Bank account whichever comes earlier or upon fulfillment of the requirements agreed on in writing with each Donor Agency.
- b) Grants represent support with donor-imposed conditions and could be restricted or unrestricted. Unrestricted grants are received in support of agreed research and development agenda and for general administration.
- c) Restricted grants are received in support of specified projects or activities mutually agreed upon between the University and donors.

### **2.4 Matching Principle**

The matching principle states that revenue is reported when earned and expenses are reported as incurred and should be matched against revenue, even if no cash outflow has occurred. This is the rationale for the accrual basis of accounting.

## 2.5 Prudence

- a) Prudence is the inclusion of a degree of caution in the exercise of the judgments needed in making the estimates required under conditions of uncertainty, such that assets or revenue are not overstated and liabilities or expenses are not understated.
- b) The prudence concept states that revenue and income are not anticipated but are recognized by inclusion in the statement of financial performance only when realized in the form of cash or other assets or when the ultimate cash realization can be assessed with a reasonable degree of certainty.
- c) All known liabilities shall be provided for if their amounts are known with certainty or are a best estimate in the light of the information available.
- d) Where the matching concept is inconsistent with the prudence concept, the latter will prevail.

## 2.6 Accrual Principle

The University shall use and apply the accrual basis of accounting systems. It is a basis of accounting where transactions and other events are recognized when they occur (irrespective of when cash or its equivalent is received or paid). The transactions and events are recorded in the accounting records and recognized in the financial statements in the periods to which they relate. The elements recognized under the accrual accounting are assets, liabilities, net assets/equity, revenue and expenses. This is to ensure that revenue and cost are;

- a) Recognized when earned or incurred, not necessarily when money is received or paid)
- b) matched with each other so far as their relationship can be established or justifiably estimated, and
- c) Dealt with in the statement of financial performance for the period to which they relate.

## 2.7 Historical Cost Principle

- a) The financial statements of the University shall be prepared under the historical cost convention and in accordance with International Public Sector Accounting Standards (IPSAS).

- b) Historical cost implies that the carrying value of assets shall be based on their purchase price. Where the historical cost convention is departed from, this shall be stated in the accounting policies, specifying the nature of departure.
- c) However, grants in kind received by the University such as fixed assets or services received from donors shall be recorded at the fair values of the asset on the date of the transaction or actual fees paid by donors for such services, respectively.

## **2.8 Going Concern**

- a) The Financial statements shall be prepared on the assumption that the University is a going concern and would continue in operation into the foreseeable future.
- b) It shall be assumed that the institution has neither the intention nor the need to liquidate or curtail materially the scale of its activities unless there will be an intention to liquidate the entity.
- c) If the intention to liquidate the entity exists, the financial statements may have to be prepared on different basis and, if so, the basis used shall be disclosed.

## **2.9 Consistency**

The University shall apply the consistency principle in preparation of its financial reports. The consistency concept explains the fact that there shall be consistency in the methods and bases for the treatment of similar accounting variables:

a) Within each accounting period and

b) from one accounting period to the other

Where the University decides to depart from the consistency principle for any reasons, such departure shall be disclosed in the notes to the accounts together with the reasons for the departure.

## **2.10 Fair Value Principle**

The University shall present its assets in the statement of financial position at their fair values.

- a) The fair value of any asset shall be the amount at which the asset could be bought or sold in a current transaction between willing parties.
- b) Prevailing market prices shall also be used to determine fair value.

## 2.11 Disclosure Principle

The University shall provide as much disclosure in the accounts as possible to provide adequate information to the users of the financial information.

## 2.12 Accounting policies

- a) Accounting policies are the specific basics judged by the University to be most appropriate to its circumstances and adopted for the purposes of preparing financial statements.
- b) Accounting policies applied would be based on International Public Sector Accounting Standards. In the absence of an International Public Sector Accounting Standard that specifically applies to a transaction, other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is reliable and relevant to the decision-making needs of users of the financial statements:
  - i) represent faithfully the financial position, financial performance and cash flows of the entity;
  - ii) reflect the economic substance of transactions, other events and conditions and not merely the legal form;
  - iii) are free from bias;
  - iv) are prudent; and
  - v) Complete in all material respects.
- c) Where circumstances permit more than one accounting policy, the choice of policy can significantly affect the University's reported results and financial position. Management shall therefore ensure that:
  - i) The view presented can be properly appreciated by clarifying the policies followed in dealing with significant items.
  - ii) The choice and disclosure of accounting policies are carefully made to promote the appreciation by users of the University's financial statements.

## CHAPTER 3

# FINANCIAL MANAGEMENT STRUCTURES, RULES AND ACCOUNTABILITY

This Chapter refers to the set of structures, laws, rules, systems and processes to be used by the University to mobilize revenue, allocate funds, and undertake spending, account for funds and audit results.

### 3.1 Key Financial Management Structures

The core financial management responsibilities within the University's internal control environment shall be managed mainly through the structures below:

- a) The University Council
- b) The Audit and Risk Management Committee
- c) The Finance, Planning and Resource Mobilization Committee
- d) The Management Committee
- e) Finance Management Committee
- f) Vice Chancellor
- g) Deputy Vice Chancellor- Finance and Administration
- h) The University Secretary
- i) The University Bursar
- j) Directors/Deans/Heads of Department
- k) Head of Internal Audit
- l) Head of Planning Unit

#### 3.1.1. The University Council.

- (a) The University Council shall be the supreme organ in the University and as such shall be the final decision making body on all policies and strategies relating to the management of finances and other resources of the University (Section 40 (1) of the Universities and other Tertiary Institutions Act 2001 (as amended)).
- (b) The University Council shall perform the following functions in relation to financial management:-
  - i. To approve the University annual budget estimates in order to authorize the collection of revenue and incurrence of expenditure by the University management and staff.

- ii. To exercise policy making and supervisory control over University resources in accordance with this Manual, the Laws of Uganda and any other guidelines or policies that may be issued by government from time to time;
- iii. To approve all Strategic Development Plans, Annual Work Plans, students' Admissions Plans, Recruitment and Retirement Plans, and Annual Procurement Plans to be financed by the University;
- iv. To approve requests for supplementary and reallocation of budget estimates or provisions;
- v. To approve all University policies relating to finances and any other resources;
- vi. To approve any introduction or revision of fees chargeable to students of the University;
- vii. To receive gifts, donations, grants or other monies and make disbursements as may be required on behalf of the University
- viii. To discuss and approve financial reports, policies and proposals recommended by its Committees;
- ix. Take all necessary decisions conducive to the fulfilment of the objects and functions of the University.

### **3.1.2. The Audit and Risk Management Committee**

- a) The University Council shall constitute an Audit and Risk Management Committee composed of members of University Council and professionals of high level experience and integrity.

- b) The functions of the Audit and Risk Management Committee shall be in line with section 49 of the PFMA 2015(as amended) as follows:
  - i) Representing Council in providing oversight of the University’s risk management practices.
  - ii) Approving the Internal Auditor’s annual audit plan.
  - iii) Reviewing the effectiveness of the University’s practices related to monitoring its financial performance, compliance with applicable laws and regulations.
  - iv) Reviewing the effectiveness of the University’s Internal Controls.
  - v) Considering reports submitted by the head of internal audit.
  - vi) Considering and reviewing external audit reports.

### **3.1.3 The Finance, Planning and Resource Mobilization Committee.**

- (1) The University Council shall at all times have a committee responsible for finances in accordance with section 43 of the University and other Tertiary Institutions Act, 2001 as amended. The role of the committee responsible for finances shall;
  - a) Exercise policy supervision and control over the University’s finances;
  - b) Discuss and recommend financial policy proposals from Management to the University Council for consideration;
  - c) Discuss quarterly financial performance reports and to make recommendations to University Council for appropriate decisions;
  - d) Discuss and recommend all proposals for Virement and supplementary provisions to the University Council for consideration.
  - e) Monitor the implementation of the University’s financial policies and programs.
  - f) Receive and review all proposals for revision of tuition and other fees for consideration and approval by the University Council.
  - g) Recommend revenue mobilization proposals and policies to the University Council for consideration and supervise the utilization and accountability of the mobilized resources.
- 2) The main roles and mandate of this Council Committee shall include-

- a) To receive, discuss and recommend draft proposals of policies and reports from the relevant faculties and administrative departments for council's consideration.
- b) to review the quarterly budget performance and status of the faculties and/or administrative departments under their jurisdiction for decision making or recommendation to council for consideration
- c) to review quarterly budgets and plans of the relevant administrative departments and/or faculties and make recommendations to the University council;
- d) To handle all related matters referred to them by the University Council.

#### **3.1.4. The University Management Committee**

- 1) The University shall have a University Management Committee (UMC) chaired by the Vice Chancellor, to advise the Vice Chancellor on the management of the University.
  - 2) The Composition of the Management Committee shall be as prescribed in the first schedule of this Manual.
  - 3) The Administrative Secretary in the Vice Chancellors office shall be the Secretary to the University Management Committee.
  - 4) The Vice Chancellor may co-opt any other staff of the University as deemed necessary.
  - 5) The Management shall be responsible for;
    - (a) Planning and implementation of all University activities, programs and projects.
    - (b) Initiating and recommending all policies, plans and projects for Council's approval through the relevant Council Committees
  - 6) The University Management Committee shall be responsible for the following University affairs:
    - (a) Reporting to the University Council, through its Committees, the status and performance of the University budget on a quarterly basis;

- (b) Reporting to the University Council, through its relevant committees, on annual basis the progress on the implementation of the University Strategic Plan;
- (c) Initiating and recommending to the University Council, through its relevant committees, the budget proposals, draft work plans and draft procurement plan proposals through the Council Committee responsible for finances to Council for Consideration;
- (d) Advising the Vice Chancellor on all technical matters.
  
- (e) Performing any other duty (duties) relating to the management of the University or as may be delegated to it by Council, Senate or any Committee of Council.

### **3.1.5. The Finance Management Committee**

- a) There shall be a Finance Management Committee instituted by the Vice Chancellor.
- b) The Finance Management Committee shall be composed of the following officers:
  - a) Deputy Vice Chancellor, Finance & Administration- Chairperson
  - b) Deputy Vice Chancellor, Academic Affairs
  - c) University Secretary
  - d) Academic Registrar
  - e) University Bursar
  - f) All Vote Cost Centre Managers
  - g) Any other relevant technical person as deemed necessary by the Vice Chancellor.
- 3) The Financial Management Committee (FMC) shall advise the Vice Chancellor on the financial management affairs of the University.
  
- 4) The Financial Management Committee shall provide technical guidance and monitoring of all financial management matters of the University.
  
- 5) The Finance Management Committee shall handle the following matters, among others:
  - a) Taking implementation decisions relating to the management of finances
  - b) Monitoring the management of finances in the University

(c) Reviewing monthly financial performance of the faculties, administrative departments and/or votes

6) The Finance Management Committee shall report to the University Management Committee.

### **3.1.6. The Vice Chancellor**

The Vice Chancellor, as Chief Executive Officer, shall be responsible to Council for all aspects of the University's financial affairs. The Vice Chancellor shall be assisted in this duty by the following;

- a) The Deputy Vice Chancellor (Finance and Administration)
- b) The University Secretary – for financial control and accountability
- c) The University Bursar- for planning, resource allocation and financial management.

### **3.1.7. The Deputy Vice Chancellor (Finance and Administration)**

a) In accordance with Section 32 (4) of the Universities and Other Tertiary Institutions Act 2001 (as amended) the Deputy Vice-Chancellor for Finance and Administration [DVC (F&A)] shall assist the Vice-Chancellor in the performance of his or her functions and in that regard the DVC (F&A) shall oversee the finances, administration, human resources, security, estates, health services, procurement, planning and development of the University and shall perform any other relevant official functions delegated to him or her by the Vice Chancellor or the University Council.

b) In the exercise of the above functions the DVC (F&A) shall:

- i) Have strategic control over the following functions in the University: medical services, students' welfare, planning, budgeting, resource mobilization, expenditure management, investment, human resource management, Security, estates and works, and procurement functions,
- ii) Participate as a key member of the University Management and shall coordinate the design and execution of strategic partnerships with other organizations for the development of the University.

- iii) Cause analysis of potential opportunities and threats, planning for and management of risks that are potentially exposed to the University's operations.
- iv) Supervise the University Faculties, Schools and/or administrative departments in developing and executing budgets.
- v) Provide leadership in initiating proposals and negotiations for raising funds and other resources for the University.
- vi) Build and maintain team work amongst the staff and chair or participate in a variety of committees, both internal and external to the University.
- vii) Chair the Budget Committee and coordinate the budgeting process.
- viii) Chair the Finance Management Committee
- ix) Do any other appropriate and relevant duty/function delegated to him/her by the Vice Chancellor or the University Council.

### **3.1.8. The University Secretary.**

- a) The University Secretary shall be responsible for the general administration of the University including custody of the seal and administration of its Assets.
- b) Shall be the secretary to the University Council.
- c) Shall be the Accounting Officer of the University
- d) Shall be responsible to the Vice Chancellor.
- e) As per requirements of the Public Finance Management Act, 2015, the Accounting Officer shall;
  - i) Control and be personally accountable to Parliament of the Republic of Uganda for the regularity and propriety of the expenditure of money applied by an expenditure vote, or any other provision and for all resources received, held or disposed of, by, or on account of the University.
  - ii) Ensure that adequate control is exercised over incurring of commitments.
  - iii) Ensure that effective systems of internal control and internal audit are in place in respect of all transactions and resources under his or her control.

- iv) The Accounting Officer may, and shall, if so required by any regulations, instructions or directives issued under the Public Finance Management Act, 2015 state in writing the extent to which the powers conferred and duties imposed on him or her may be exercised or performed on his behalf by any Public Officer under his, or her control and shall give such directives as may be necessary to ensure the proper exercise or performance of his/her powers and duties.
- v) Be responsible for submission of quarterly reports to the Ministers responsible for Finance and Education as required by law.
- f) Assist the Deputy Vice Chancellor (Finance and Administration) in the Finance and Administration functions of the University.
- g) Ensure that all committees of Council are adequately resourced and serviced.
- h) Be responsible for production and maintenance of an Almanac for Council and Council Committees
- i) Be responsible for sending out notices of Council meetings and timely production and follow up of Council minutes.
- j) Ensure timely, efficient and accurate communication of Council meetings and timely production and follow up of Council minutes.
- k) Ensure timely, efficient and accurate communication of University Council decisions to relevant stakeholders
- l) Be responsible for all legal matters of the University.
- m) Be responsible for all procurement matters of the University.
- n) Recommend persons for appointment to the Contracts Committee.

- o) Ensure that revenue collection, debt management, expenditure control and payment of creditors is in accordance with the manual and any instructions of the University Council or Government of Uganda.
- p) Initiate and facilitate training and other initiatives for the efficient maintenance and improvement of the financial management skills and awareness of all University officials, including staff, members of the University Council, contractors, students and suppliers.

### **3.1.9. The University Bursar**

- 1) The University Bursar shall be responsible to the Vice Chancellor through the University Secretary who is the Accounting officer for all financial transactions and accounts of the University as provided for under the Universities and Other Tertiary Institutions Act, 2001 (as amended).
- 2) The University Bursar shall be responsible for the financial administration and planning of the University and shall maintain the accounts in a form prescribed by the relevant laws and/or policies.
- 3) The duties of the University Bursar shall, among others, be: -
  - a) To manage the financial affairs of the University prudently, efficiently and effectively;
  - b) To ensure compliance with the Public Finance Management Act 2015, the Public Finance Management regulations 2016, this manual and any other instructions issued by the Accounting Officer, the Vice Chancellor, and /or University Council from time to time
  - c) To co-ordinate and support the Budget Committee, together with the Planning Unit, Procurement and Disposal Unit, Human Resources Unit and Academic Registrar under the leadership of the Deputy Vice Chancellor (F&A) in the preparation of annual budget estimates, work plans, procurement plans, recruitments and retirement plans and students' admissions in accordance with the budget cycle.

- d) To ensure that the approved estimates of expenditure on votes under his or her control are not exceeded and to keep watch over the expenditure of votes of Faculties and administrative Departments and warn them if there is a danger of those votes being exceeded;
- e) To ensure that no expenditure is incurred when it is not approved in the relevant budget estimates;
- f) To maintain sound systems of accounting in accordance with this Manual and/or instructions issued by Government;
- g) To supervise and ensure the prompt collection and banking of all fees and other revenues due to the University;
- h) To supervise all officers entrusted with the receipt and expenditure of the University funds and to take precautions, through frequent checks against the occurrence of fraud, embezzlement, errors or carelessness;
- i) To supervise the expenditure and other disbursements of the University and ensure that no payment is made without proper authority;
- j) To co-ordinate the preparation of the annual accounts of the University for audit and prepare financial statements and returns as required by the Public Finance Management Act 2015;
- k) To prepare special reports as required by the University Council, Management, donors or the government;
- l) To make provision for the secure custody of all the relevant books of accounts and other accounting stationery;

- m) To check and advise the University Secretary on the disposal process of the stores or assets, and co-operate with the Contracts Committee in the execution of its work;
  - n) To report to the Accounting Officer and recommend disciplinary action against any officer who continuously contravenes financial policies and regulations;
  - o) To implement lawful policies and directions of the University Council, as communicated to him and/or her by the Vice Chancellor or the University Secretary and where he or she considers any direction not to be in accordance with the Act, financial policies or regulations, prepare a written statement of objection or advice to the Vice Chancellor and/or the Accounting Officer.
  - p) To liaise with donors for independent audits of accountability statements of funds given to the University by those agencies in consultation with the Accounting Officer;
  - q) To co-sign with the Accounting Officer, all procurement and financial instruments for commitment or expenditure of the funds of the University;
  - r) To ensure that commitments are not approved unless there is sufficient uncommitted balance available in the commitment limit for the relevant budget item;
- 7) The University Bursar;
- (a) shall, submit quarterly financial reports to the respective Council Committee responsible for finances.
  - (b) may issue guidelines for the management of funds and other resources of the University in line with this Manual.
  - (c) shall bring to the notice of the Accounting Officer and to management any apparent deficiency in this Manual and suggest any means by which the deficient sections may be improved on.

### 3.1.10 The Heads of Administrative/Academic Department and Faculty Deans

a) The duties of a Head of Administrative/Academic Department and/or a Faculty Dean in respect of financial management include, but shall not be limited to the

following:

- i. Being a vote controller and taking personal responsibility for supervising the operations and transactions in his/her faculty or administrative department.
- ii. Being responsible for the production of the department/faculty annual work plans, procurement plans, budget proposals and development plans in accordance with the budget cycle,
- iii. Recommending to the University Secretary the faculty/department's payment requests and commitments for approval,
- iv. Being personally responsible for ensuring that all financial commitments of his/her administrative/academic department or faculty are within the commitment limits of cash received and available, and in line with approved budget and work plans;
- v. Submitting the financial and physical progress reports within ten days after the end of each quarter to the University Secretary.
- vi. Promptly reporting incidents of death, absenteeism, abscondment, desertion of any employees under their jurisdiction to the University Secretary in order to take the necessary actions to save financial losses to the University.
- vii. Ensuring the availability of this Manual to staff members under his/her jurisdiction and ensuring that all staff members in his/her department or faculty are conversant with this Manual;
- viii. The Director of Human Resources shall be responsible for taking action on cases of death, abscondment, desertion, dismissal, suspension or interdiction of any employees to ensure that no financial losses are incurred by the University.
- ix. The Head of an Administrative/academic Department and/or Faculty Dean shall ensure that the staff under his/her jurisdiction account for the funds and/or other resources advanced to them or in their custody.

- x. The Head of an Administrative/Academic Department and/or Faculty/School Deans shall do any other work incidental to his/her duties or as shall be assigned by the Vice Chancellor or the Accounting Officer.

### **3.1.11 The Head of Internal Audit**

- a) The Head of Internal Audit shall be administratively responsible to the Vice Chancellor but shall be functionally responsible to the University Council through the Audit and Risk Management Committee.
- b) The duties of the Head of Internal Audit Unit/department shall be in accordance with the Internal Audit Charter and Section 48 of the Public Finance Management Act, 2015.

### **3.1.12. The Head of Planning Unit**

- a) The office of the Head of Planning Unit shall be responsible to the University Bursar and shall be the focal office for planning, budgeting, monitoring and evaluation in the University.
- b) The Head of Planning Unit shall be central for developing the strategic plans and budget estimates and will ensure that the two policy documents are congruent.
- c) In the execution of this function, the Head of Planning Unit shall be responsible for:
  - i) Preparing annual monitoring and evaluation reports for submission to the University Bursar.
  - ii) Coordinating and taking the lead role in the initiation, compilation and presentation of the University annual budget under the guidance of the University Bursar.
  - iii) Reporting, on a quarterly basis, the work plan and activity performance to the University Bursar.
  - iv) Evaluation and assessment of the financial resources allocation strategy every two and a half years to ensure that the University is financing programs according to the strategic plan.

4) In exercise of the function in paragraph c (iv) above, the Head of the Planning Unit shall assess and evaluate the relevancy of the University strategic plan and, where necessary, initiate its review.

### **3.1.13 The Other University Staff.**

- a) Each employee or any other official of the University concerned with the receipt, custody, disbursement or documentation of money, stores or other assets shall:–
- l) comply with the Laws of Uganda, this Manual, and any other directions or instructions issued by the University Council.
  - ii) Exercise strict supervision over all officers under his or her jurisdiction entrusted with financial or accounting duties and to bring to the attention of the University Bursar or Accounting Officer any incompetence, dishonesty or carelessness on their part and take precautions, against the occurrence of fraud, embezzlement or errors and maintain an internal check system;
  - iii) Produce for inspection all cash, securities, books of account, records, receipt books or vouchers in his/her charge when required by the Auditor General, Accounting Officer, University Bursar, Head of Internal Audit or any other authorized person;
  - iv) Promptly reply to any queries addressed to him/ her by any of the officers referred to in paragraph (c), giving in full information or particulars required;
  - v) Promptly prepare and submit financial returns and statements as required by law, financial regulation, or instructions from the University Bursar and requirements of Government, and

- vi) To perform any other work incidental to their duties or as may be assigned by the University Secretary, Faculty Dean, administrative/academic head of department or immediate supervisor.

### **3.2. Accountability for Funds and Other Resources.**

- a) In accordance with article 164 of the Constitution, all public officers are personally and pecuniary responsible for the due performance of the financial duties of their offices, for the proper collection and custody of all public monies, stores, and assets receivable by them or under their authority.
- b) If any University employee fails to satisfactorily account for funds or to produce any part of cash, stores or other assets of value entrusted to him/her, the Accounting Officer shall require him/her to make good the deficiency, which may be deducted from any monies due to him/her from the University in addition to other disciplinary actions.
- c) The University staff to whom cash, stores or other items of value are jointly entrusted, such as the holders of keys of strong-rooms, safes and cash boxes shall be required to make good any deficiency jointly and/or severally.
- d) Any staff or official of the University who receives money or other resources to carry out a duty or activity shall account for such monies or other resources within one month to the full satisfaction of the Accounting Officer.
- e) Where the University staff or official cannot account for the monies or other resources advanced to him or her due to the lengthy nature of activity or due to any other circumstances, the staff or official shall apply to the Accounting Officer, within two weeks to the expiry of the accounting period, for extension of the period of accountability for the advanced monies or other resources.
- f) The Accounting Officer may accept or reject the application for extension of accountability period with or without conditions.

- g) The application for extension of such an accountability period shall be construed to have been rejected if no acceptance is issued by the Accounting Officer within two weeks of receipt of the application specified in sub-regulation 3.3.13 (e) above.
- h) The Accounting Officer may, at his/her own discretion, delegate the accountability function in order to enhance the efficiency of the accountability function in the University.
- i) The accountant in charge of expenditure shall scrutinize the accountabilities received by checking the accuracy and making comparison with the requests for advance that had been submitted.
- j) Where actual expenditure is less than the advance the staff received, the relevant officer with whom the money was entrusted shall bank the excess and attach the original deposit slip and a copy of University receipt as part of the accountability documents.
- k) Failure to account for funds advanced for any activity within 30 day days will necessitate the University instituting recovery measures and possible disciplinary action in accordance with the University Human Resources Policy or any other laws.

### **3.3. Rules for Management of University Financial Resources.**

- a) All the assets or resources of the University shall be under the control and management of the Accounting Officer with the supervision of the Vice Chancellor, in accordance with the Public Finance Management Act (2015), this manual, other laws and directives or guidelines of the University Council and/ or Government of Uganda.
- b) The Accounting Officer shall cause to be established adequate internal control systems to promote management efficiency and minimize risks affecting University assets and the timely achievement of the University objectives.
- c) The internal control systems referred to above shall include policies, principles, systems, rules and procedures designed to ensure efficiency, affordability and effectiveness of the University operations, to improve management decision making, to protect and safeguard University resources.
- d) Administrative controls shall be put in place by the Accounting Officer to ensure that all resources (physical, financial and human) are properly acquired, maintained, used and accounted for; and that decisions regarding the expenditure and utilization of funds and other resources are based on reliable information; and that budgets are properly developed and monitored to ensure consistency between planned and actual expenditures.
- e) The Accounting Officer shall from time to time design and facilitate adequate systems for segregation of duties, mandate and functions of various staff, committees and Council.
- f) The Accounting Officer shall accord and ensure adequate facilitation and independence of internal audit, external audit, audit committee and other bodies or committees of investigation in order to promote good governance principles of transparency and accountability in the University.

## **CHAPTER 4 BUDGETING AND BUDGETARY PROCESS**

### **4.0 Preliminary information**

(1) The University as a statutory institution established under the University and Other Tertiary Institutions Act, 2001 (as amended) is required to undertake planning, budgeting and reporting in accordance with the following regulations;

- Public Finance Management Act, 2015 (as amended) , the PFMA Regulations 2016 and Treasury Accounting Instructions 2017
- Universities and Other Institutions Act 2001 (as amended)
- Public Procurement and Disposal of Assets Act 2003 (as amended) and its resulting regulations
- Education sector Budget Framework Paper.

(2) The University shall prepare and manage its budget in line with the Strategic Plan and Annual Work Plan. The budget shall be based on estimates provided by each Vote Cost Center Manager and its purpose shall be to deliver the approved plans of faculties, administrative units and institutes.

(3)The strategic planning process shall be coordinated by the planning unit and shall incorporate information from all units of the University. Due consideration shall be given to environmental scan of internal and external factors affecting the achievement of University’s objectives, clearly identifying threats and opportunities.

#### **4.1. Budgeting**

(1) The University Council in accordance with the Universities and Other Tertiary Institutions Act, 2001 (as amended), section 41, shall approve the University budget proposals. This is in line with the Public Finance Management Act, 2015.

#### **4.2. General Principles of Budgeting**

The general principles of budgeting include the following:

- a) Budget estimates shall reflect projected revenues and expenditures which are realistic and balanced.
- b) The Heads of Administrative/academic departments and Faculty Deans shall be the Vote Cost Centre Managers and therefore responsible for the initiation, production and the execution of the budget functions.
- c) Budget framework papers, public investment plans, work plans, procurement plans, approved students’ enrolment, recruitment and retirements plans and financial year’s

approved budget estimates shall form the basis of the annual estimates of the ensuing financial year.

- d) The prevailing factors and circumstances which are likely to affect future operations shall be taken into account when preparing the budget estimates.
- e) Revenues and expenditures shall be itemized as far as possible and not shown by block amounts in accordance with the Chart of Accounts.
- f) The Convocation shall budget, receive, spend and account for funds in accordance with the rules and regulations of this Manual.

#### **4.3. The Budget Committee**

(1) This shall be a budget committee of management constituted of the following members:

- (a) The Deputy Vice Chancellor (Finance and Administration) - Chairperson
- (b) The University Secretary
- (c) The University Bursar
- (d) All Vote Cost Centre Managers
- (e) Students' Guild Representative
- (f) Students Sports Union representative
- (g) A representative from each of the Staff Associations and the NUEI
- (h) The Administrative Secretary for the DVC- Secretary.
- (i) Any other person (s) nominated by the Chairperson.

(2) The duties of the Budget Committee shall include:-

- a) Coordinating and mobilizing the faculties and administrative departments to produce annual plans, annual procurement plans, recruitment plan and budget proposals for submission to the University Management.
- b) Following up the budget cycle issued by the Ministry responsible for finance and the Accounting Officer and be responsible for informing the Finance Management Committee, the University Management Committee of the progress of the budgeting process.

- c) Ensuring that the University faculties and administrative/academic departments produce realistic procurement plans, recruitment plans, budget proposals and annual work plans.
  - d) Ensuring that the budgets, work plans, public investment plans, recruitment plans and procurement plans are harmonious with each other.
  - e) Compilation and consolidation of all the budget proposals, procurement plans, recruitment plans, and work plans submitted by the faculties and administrative departments in prescribed forms and formats for submission to the University Management Committee.
  - f) Ascertain content and substance of the budget estimates, work plans, recruitment plan, public investment plan and procurement plans to ensure they are linked and consistent with each other and that they are compliant with the vision, mission, objectives and activities in the strategic plan of the University.
  - g) Ensuring that the budget proposals are in conformity with the format designed by the Ministries responsible for finance and education.
  - h) Monitoring the performance of the budget, work plans, recruitment plans and procurement plans of the University and reporting to University Management Committee any gaps or challenges for corrective actions.
- (3) The budget committee shall directly report to management in the execution of its functions.

#### **4.4. The Budgeting Process**

- a) The budget preparation process shall be consultative and participatory in order to promote transparency, ownership and accountability of the budgeting processes. The objective of the consultative process shall be to solicit the views of all stake holders in the preparation of the budget and consequently ensure that the university budget reflects the views, aspirations and priorities of all stakeholders.
- b) The budgeting process shall start in the month of September for every financial year and in accordance with the PFMA 2015. This shall include compilation of the planning and budgeting data from all departments and/or faculties, through prioritization process, reading and approval of the ensuing financial year budget.
- c) The following University bodies shall discuss the budget proposals in the following order: Faculties/Administrative Departments; Finance Management Committee, Top

Management Committee, and the Committee of Council responsible for finances and final discussion and approval by the University Council.

- d) The Heads of Administrative/Academic Departments and Faculty Deans shall be responsible for organizing, coordinating and presenting their budget proposals during the various stages of the budgeting process.

#### **4.5. Revenue Estimates**

- a) Revenue shall be divided into different sources and coded accordingly and separate items shall be provided for revenue collections in respect of the year of estimates and audited arrears from the previous year.
- b) The revenue sources shall be categorized into;
  - i Government grants and subventions
  - ii Non – Tax Revenue (NTR) sources will constitute tuition and functional fees as approved by the University Council from time to time and any other source of revenue.
  - iii Donations from external institutions/bodies or individuals.
- c) The estimates of revenue will give the following information in respect of each source:
  - i the actual revenue of the previous financial year;
  - ii the estimated amount to be collected subsequent financial year.

##### **4.5.1. Government Grants and Subventions**

- a) Government grants shall be considered as part of the University revenue and shall be integrated in the University budget, to be spent on priorities determined by the University Council taking into account the University priority programs.
- b) If there are conditional grants from the Government or donors such grants shall be part of University revenue but shall be planned for, recorded, utilized and accounted for according to the grant conditions.

c) Conditional grants shall be budgeted for following an agreement between the University and Government and/or the relevant donor and the allocation, utilization and accountability for such grants shall be agreed upon with the government or donor.

d) The donor grants so received shall comply with section 44 of the PFMA 2015(as amended)

#### **4.6. Expenditure Estimates**

a) The detailed recurrent and development expenditure estimates shall be detailed to include administrative/academic departments, faculties, programmes and projects.

b) The individual items of expenditure shall then be included in the section budgets which shall then be consolidated upwards to the administrative/academic department and faculty level up to the whole University.

#### **4.7. Budget Estimates and Plans**

a) The budget estimates shall be divided into two parts: the Recurrent Budget and Capital Development Budget with all amounts expressed in Uganda shillings.

b) The basis of the revenue and expenditure estimates shall be clearly stated in the budget preamble with measurable targets that are directly linked to the work plans for the same financial year.

c) The budget estimates shall be prepared in detail showing revenue and expenditure items to permit proper monitoring and support the explanation of variances and adjustments.

d) All budget estimates of revenue and expenditure shall be in accordance to the Chart of Accounts issued by the Accountant General.

This shall involve coding, organizing and assigning of the budget estimates in the format provided to all programs, projects, administrative/academic departments and Faculties.

#### **4.8 Students Guild and the Sports Union Budget**

(a) There shall be a Students Guild budget and a Students Sports Union budget approved by the Students Guild Representative Council and the Sports Union respectively for each financial year.

(b) The budget for Students' Guild and for Sports Union shall be controlled and managed by the Guild Executive Committee and the Sports Union respectively under the supervision of the Dean of Students.

(c) Both the Students Guild budget and the Sports Union budget shall be included in the University budget as a single-line budget item.

(d) Capital development shall constitute at least 15% of both the Students Guild budget and the Sports Union budget in any financial year.

(e) The Dean of Students shall ensure that both the Students' Guild budget and the Students' Sports Union budget are developed and implemented in conformity with this Manual, the PFMA 2015(as amended), the PPDA Act 2003 (as amended), and the relevant regulations therefrom and any other instructions issued from time to time.

#### **4.9. Alignment with Government Budgeting Process**

a) The budgeting process for the University shall be aligned with the budgeting principles and guidelines from the Ministry of Finance, Planning and Economic Development as shall be communicated in the Budget Call Circular or any other standing instructions issued to guide the budgeting process.

b) The University shall ensure that the correct budgeting and planning figures issued by the central government are correctly captured and included in the University's budget estimates.

c) Adequate time shall be given to ensure that the data in the final budget call circular from the Ministry of Finance, Planning and Economic Development is correctly captured and included in the final University Budget Estimates.

d) The office of the University Bursar shall sensitize the key budget implementers about the approved budget.

#### **4.10. Recurrent and Development Estimates.**

(a) The budget estimates of the University shall contain and clearly indicate both the recurrent and development sections of the budget;

(b) The University shall clearly indicate in the budget estimates the relative contribution of the government subvention, Non-Tax-Revenue and any donor funds to the development and recurrent budget estimates;

(c) The estimates of recurrent and capital development expenditure shall be produced in a format provided for in the instructions issued by government.

(d) The background to the budget estimates shall describe:

(i) The revenue and expenditure performance including the achievements and challenges encountered in the previous financial year

(ii) All the major capital development projects budgeted for implementation in the financial year of the budget estimates and shall state the strategies and period in which the projects are expected to be accomplished.

(iii) All the major administrative and academic innovations, policy reforms or achievements planned for implementation during the financial year of the budget estimates with clear milestones and expected period within which to be accomplished.

(iv) Feasibility studies, work plans, cost benefit analysis and environment impact assessment shall be indicated clearly before any project takes off and explanatory notes shall be provided to show the purpose and need for each project, and whether the source of finance is to meet the full cost of the project.

#### **4.11. Budget presentation and approval**

a) The chairperson of Committee responsible for finance shall present the budget and annual work plan, recruitment plan, retirement plan and procurement plan to the University Council for approval.

b) Once approved by the Minister and Parliament, the budget shall become a legally binding document and shall be communicated to all stakeholders including all members of the University Council, Senate, Top management, faculty deans, Heads of department and sections.

(e) The University Council shall not delegate the function of approval of the University budget estimates to any person, committee, board or body or authority.

#### **4.11. Budgeting for Donor Funded Projects.**

- a) All donor funded projects planned to be implemented in any financial year shall be declared to the University Council by incorporating them into the budget estimates for the relevant financial year.
- b) Where the expected funds cannot be reliably estimated, they shall not be incorporated in the budget estimates but shall be disclosed in the notes to the budget estimates.
- c) All employees of the University seeking donor financing for their project proposals shall always communicate to the University Secretary the expected funding sources with brief description of the project components and objectives, and the project cost for incorporation or disclosure in the budget estimates.
- d) The funds sourced from donors shall be budgeted, utilized and accounted for in accordance with the terms of grant agreement.
- e) Every quarter, the University Council shall receive a financial and physical performance report on all the donor funded projects from the Project Coordinators.
- f) On receipt of the donor funding, the amount for administrative service fee shall be payable to the University as a service fee for managing the donor funds. This administrative service fee shall be used to fund the administrative costs and programs of the University relating to the relevant donor Project.

#### **4.12. Approval of the Budget Estimates and Plans**

- a) The Accounting Officer shall ensure prompt production and submission of annual work plans, recruitment plans, procurement plans and budget estimates to the University Council for consideration by the end of March of each financial year.
- b) The budget estimates shall be based on the objectives to be achieved for the financial year and implementation efforts shall be made to achieve the agreed objectives or targets, as per the programs of the University.

c) The approved budget estimates shall be submitted to the Minister responsible for Education with copies to the Permanent Secretaries of the ministries responsible for education and finance within ten days in accordance with UOTIA, 2001 (as amended).

#### **4.13. Basis of Revision of Budget Estimates.**

a) A revision of budget estimates may fall into one of the following categories:-

i) **Virement** shall involve the re-allocation of approved funds between budget items under the same administrative/academic department or faculty that shall not be more than 10% of the money allocated for an item of a vote. Virement shall, upon a recommendation of the University Council, be submitted to the Minister responsible for Finance for consideration.

ii) **Supplementary Funding**, shall involve additional funds required for recurrent expenditure or capital development purposes or an increase in the total approved estimated expenditure for the year. This is only approved by the Parliament after the recommendation by the University Council according to section 25 of Public Finance Management Act, 2015(as amended).

#### **4.14. Budget Implementation and Monitoring**

1) It shall be the responsibility of cost center managers to ensure that the activities and projects approved in the budget estimates are implemented on time in accordance with the work plans, recruitment plans and procurement plans approved together with the budget estimates.

2) The cost center managers shall ensure that value for money for all activities and projects is attained through efficient monitoring of progress of activities and projects and comparison of the project costs with the planned budget.

#### **4.15. Budgetary Control**

(a) The approved budget shall be uploaded in the commitment control module of the accounting software of the University.

(b) Every payment shall be made only if it passes a funds availability check in the IFMS and approval of the accounting officer in accordance with Public Finance Management Act, 2015 (as amended).

(c) The primary control on unit budgets is available funding. Except for general oversight and policies that govern the appropriate and prudent use of University funds, the central administration shall not place additional limits on spending.

## **CHAPTER 5 CASH AND TREASURY MANAGEMENT**

### **5.1. Selecting the University's Banks**

Kabale University shall select and operate local bank accounts in reputable banks in accordance with the instructions of the Accountant General as provided for by the PFMA 2015 (as amended).

### **5.2 Authorized Signatories**

- a) The University shall have such a number of authorizing signatories for all payments as shall be determined from time to time by the University Council or in accordance with the government policy.

- b) Whenever the situation arises that an officer is not available to endorse a payment, designated officers may be authorized to endorse payments, provided the Accounting Officer shall approve such an arrangement.

### **5.3 Managing Bank Accounts**

- a) The University shall operate both Uganda Shillings and foreign currency bank accounts in accordance with 5.1 of this Manual.
- b) The decision to open or close any bank account shall be after authorization by the Accounting Officer on recommendation of the University Council and in line with section 33 of the PFMA 2015(as amended).
- c) The University Bursar shall maintain a log of all bank accounts operated by the University.
- d) The bank accounts shall be specifically intended for official University transactions and shall not be used for deposit or payment of personal items or items that are not related to or not for the interest of the University.

### **5.4 Bank Reconciliation Statements**

- a) All the bank accounts shall be reconciled monthly by the Accountant, reviewed and approved by the University Bursar.
- b) Bank reconciliations shall be prepared and reviewed within 10 working days after the end of each month
- c) Bank reconciliation statements will be prepared by the Accountants or their assistants and verified by the relevant supervisors.
- d) The completed bank reconciliation statements and documentation of voided cheques shall be reviewed by the University Bursar and appropriate actions taken.

### **5.5 Main Cash Book**

Due to the nature of the University operations and the various activities the University is involved in, it is important to set out the following additional procedures for the Main Cash Book to account for cash in safe.

- a) A maximum amount of imprest per month shall be authorized by the Accounting Officer with guidelines from the MoFPED to meet additional disbursements for research, meetings, workshops and other program activities.
- b) All cash obtained for purposes of meetings and workshops shall be handled separately from routine petty cash transactions.
- c) The Accounting Officer shall approve all transactions relating to disbursements made out of the bank.
- d) Any cash balance on workshops/meetings will be accounted for in accordance with the policy on accounting for funds. All funds reimbursed after the activity shall be immediately banked after such meetings/workshops are over by the employee or officer with whom that money was entrusted.

## **5.6 Receipt of revenues**

All revenues of the University shall be treated in accordance with the Academic Information Management System (AIMS) or any other system approved by government.

- a) Receipts by the University shall consist mainly of bank drafts, local cheques, and direct transfers into the University's bank account.
- b) All funds shall be by direct deposit on the University's bank account or as shall have been advised or directed by the Accountant General.
- c) The University shall have a list of all cheques and other inward remittances on a Cheque Register.
- d) The register of the remittances and supporting documents shall be passed to the Accountant who will sign both copies as evidence of receipt.
- e) On receipt of the mail or of any amounts paid into the accounts office, the Accountant shall take the following actions:
  - i) Record the cheques and other negotiable documents in the name of the University and bank account.
  - ii) Ensure that the name, details and date have been entered correctly. All postdated cheques and cheques which have different amounts entered in words and figures will be referred to the drawer for amendments.

iii) Direct credit transfers to the University's bank accounts shall be recorded from the bank statement.

iv) Acknowledgement of receipt shall be made.

### **5.7 Setting and management of University fees and charges**

(a) The University Council shall be recommending or approval and/or review of all students' fees and charges.

(b) On approval of the students fees, charges and other revenues, the management shall put in place procedures for their collection as per the provisions of the budget estimates.

(c) All revenues for the University shall be deposited by the revenue payers themselves on the authorized accounts through the prescribed electronic system.

(d) Under no circumstances shall a University staff or other person be allowed to receive cash from any student, contractor, creditor, agent, or other person on behalf of the University.

(e) Every person or student who is required to pay any money to the University shall bank the money using the prescribed official electronic revenue collection system.

(f) Students shall not be allowed to sit any examination(s) without completing all the University fees.

(g) University students and/or their leaders are prohibited from getting involved in any revenue collection process on behalf of the University.

(h) There shall be Students' Guild fees and Sports fees which shall be set and reviewed by the University Council from time to time. The Students Guild and Students Sports fees shall be specifically for funding Students Guild activities and Students Sports activities respectively and shall be collected and accounted for in the same manner as all other fees and revenues of the University.

### **5.7 Assessment of financial flows and commitment**

Realistic assessment of the financial inflows and commitments shall be carefully employed to project the net cash flows from the short to the medium term to prevent any possible shortage of funds that results into operational inefficiencies.

### **5.8 Prepayments**

All prepayments shall be classified under receivables. All expired portions of the amount pre-paid shall be expensed by passing a Journal Voucher to the appropriate accounts. The unexpired portion shall be carried to the Statement of Financial Position and classified under receivables.

## 5.9 Cash flow statement

The following definitions shall apply in the preparation of the statement of cash flows of the University in their annual financial reports:

a) **Cash and cash equivalents** means the cash on hand, cash at bank, demand deposits and cash equivalents where cash equivalents are defined as short term, highly liquid investments, with maturities of less than three months from the date of purchase, that are readily convertible to known amounts of cash and which are not subject to a significant risk of change in value.

b) **Operating activities** shall include all transactions and other events that are not investing or financing activities. They shall include but not limited to the following:

- i) Cash receipts from levies and fines;
- ii) Cash receipts from charges for goods and services provided by the entity;
- iii) Cash receipts from grants or transfers and other appropriations made by central government or other public sector entities;
- iv) Cash receipts from fees, commissions and other revenues;
- v) Cash payments to other entities to finance their operations;
- vi) Cash payments to suppliers for goods and services;
- vii) Cash payments to and on behalf of employees;
- viii) Cash receipts from and payments to an insurance entity for premiums and claims, annuities and other policy benefits;
- ix) Cash payments of local property taxes or income taxes, where appropriate, in relation to operating activities;
- x) Cash receipts and payments from contracts.

- c) **Investing activities** shall consist of those activities relating to the acquisition, holding, and disposal of fixed assets and investments. Investments shall include securities not falling within the definition of cash.
- i) Cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalized development costs and self-constructed property, plant and equipment;
  - ii) Cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;
  - iii) Cash advances and loans made to parties other than advances and loans made by public financial institutions, where applicable;
  - iv) Cash receipts from the repayment of advances and loans made to parties other than advances and loans of a public financial institution where applicable;
- d) **Financing activities** shall consist of those activities that result in changes to the size and composition of the University's capital structure. This includes both equity and debt not falling within the definition of cash. Examples shall include but not limited to the following:
- i) Cash proceeds from issuing shares, debentures, loans, notes, bonds, mortgages and other short or long-term borrowings; and
  - ii) Cash repayments of amounts borrowed.

Due to the nature and mandate of the University, financing activities would rarely be used or applied in the operations of the organization. Should there be a change by management at any point in time; the University Council shall notify the ministry responsible for finance for the necessary treatment and disclosure.

e) **Disclosure Requirements**

To ensure compliance with IPSAS, management shall ensure cash flow statements have been presented as an integral part of the University's financial statements for the period. Management shall use the indirect method for the preparation of cash flow statement

The cash flow statement shall be classified under the following headings:

- i) Operating activities
- ii) Investing activities

iii) Financing activities

## CHAPTER 6

# EXPENDITURE CONTROL MANAGEMENT

This section sets out the procedures for all forms of expenditure by the University for the purpose of acquiring fixed assets, procuring items of stock, incurring an expense or engaging in a contract for the benefit of the University either in the short or the long term.

### 6.1 General Expenditure Control Policies and Procedures

The University shall follow, for all forms of expenditure, the following procedures:

- a) All procurements shall follow the procurement policies and procedures in accordance with the PPDA Act 2003(as amended) and the relevant regulations therein.
- b) A Requisition form or letter shall be raised for all requests for funds for any expenditure whether capital or revenue.
- c) All Requisition Forms shall be duly requested by a specific relevant official in a user department, authorized by the head of department and approved by the Accounting Officer.
- d) A Payment Voucher shall be raised for all approved Requisition Forms referred to under part (c) above.
- e) The Payment Voucher shall be duly checked by the Accountant, authorized by the University Bursar and approved by the Accounting Officer after examining all the attachments and assuring themselves of their relevance, quality, validity, accuracy, completeness, and whether the activities in question have been budgeted for and funds are available.
- f) All payment vouchers shall possess the following qualities:
  - i) Description of the transaction
  - ii) Amount of the voucher
  - iii) Name of Payee
  - iv) Appropriate Account Code
  - v) Appropriate Program/Project Number

- vi) Appropriate Donor code
- vii) The Payment Voucher date and signature

g) The University shall stamp on each paid invoice with the word “PAID” upon payment.

### **6.3 Payment by Letter of Transfer.**

The University shall allow payments by Letters of Transfer (LOT). In such cases, the following procedures shall be complied with:

- a) All LOT Payments shall comply with all the control procedures outlined in this Manual.
- b) The Accounting Officer shall prepare the letter and address it to the respective bank Manager clearly indicating the following details:
  - i) Beneficiary Account Name
  - ii) Beneficiary Account Number
  - iii) Swift Code
  - iv) Correspondent Bank Details
  - v) The Amount to be transferred, both in figures and words.
- c) The authorized signatories to the bank account shall sign the letter of transfer.
- d) The letter shall be in duplicate.
- e) The original letter together with the duplicate shall be sent to the bank. The original letter shall be left with the bank. The duplicate shall be endorsed, dated and stamped by the bank and returned to the University to be attached to the payment voucher.

### **6.4 Cash Payments**

- a) Cash payments shall not be allowed except for special circumstances as authorized by the Accounting Officer in consultation with the Accountant General.
- b) Where any payment is required to be made in cash for special situations, the payment will be by imprest to a responsible officer.
- c) All Payments in cash shall comply with all the control procedures outlined above.
- d) The University shall adopt all financial management systems and polices initiated by government.

## **6.5 Expenditure Approval**

The Accounting Officer shall be responsible for authorizing all financial commitments made by the University as in Section 45 of the Public Finance Management Act, 2015.

## **CHAPTER 7 PROPERTY, PLANT AND EQUIPMENT**

## 7.1 General Policy Guidelines

- a) This section sets out procedures that seek to ensure that Fixed Assets of the University are acquired, recorded, utilized, or disposed of within appropriate levels of authorization and approval. The main focus shall be to safeguard and account for assets.
- b) Fixed Assets shall include movable and immovable assets.
- c) The University shall ensure that all its fixed assets are stated at acquisition cost less accumulated depreciation and accumulated impairment losses.

## 7.2 Acquisition

The University shall procure any fixed asset provided that the University:

- a) Complies with the Procurement Policy as provided for under the PPDA Act 2003 (as amended) and the guidelines therefrom.
- b) Complies with section 6.1 of this manual.
- c) The procurement falls within the ambit of the University's eligible expenditure.
- d) Provided for it in the Annual Budget and procurement plan.
- e) Has a budget for the funds for the purpose.
- f) Accounting Officer has approved the transaction.

## 7.3 Assets management

- (a) The University shall register all acquired fixed assets in the name of the University.
- (b) The University shall insure all vehicles and inspect for roadworthiness. Insurance and roadworthy certificates shall be obtained and securely kept by the Accounting Officer.
- (c) The University shall engrave and assign all fixed assets with special identification numbers clearly labeled "Kabale University".
- (d) The engraving system, including engraving numbers, shall be approved by the Accounting Officer

#### 7.4 Recording

- a) All fixed assets acquired by the University shall be properly recorded in the Ledger Accounts with the approved valid vouchers duly attached.
- b) All imported goods shall be addressed in the names of the University.
- c) A Fixed Assets Register shall be maintained to keep track of all properties or assets owned by the University.
- d) The register shall have columns for the following:
  - i) Date of acquisition
  - ii) Name of the Asset
  - iii) Accounting Code of the Asset
  - iv) Identification number of the asset
  - v) Insurance certificate number of the Asset
  - vi) Cost of the Asset
  - vii) Depreciation rate
  - viii) Accumulated depreciation
  - ix) Depreciation charge for the year
  - x) Disposal costs for the year
  - xi) Book value of the asset
  - xii) Description or remarks column
- e) Assets shall be grouped into their various categories or classes in the Register

#### 7.4 Custody

The University shall:

- a) Maintain and keep all of its assets in good physical condition at all times.
- b) Keep all of its assets at secure physical locations.
- c) Distinctively identify all of its assets.
- d) Use its Assets only for the benefit of the University.
- e) As much as possible make the assets available at all times for inspection by authorized persons.
- f) Conduct physical asset counts on an annual basis and all the breakages/damages shall be reported on.
- g) There shall be a system for tracking and reporting on damages and breakages of assets

#### 7.5 Disposal

The University shall not dispose of any fixed assets unless they have:

- a) Become scrap.
- b) Become too costly to maintain.
- c) Become obsolete.
- d) Fully depreciated in accordance with the government policy.
- e) They are disposed of in accordance with the PPDA Act 2003(as amended) and resultant regulations.
- f) They are authorized by the Accounting Officer.

#### 7.6 Reporting

The University shall ensure that the presentation of fixed assets in the financial statement and its notes are in conformity with the International Public Sector Accounting Standards (IPSAS);

- a) The financial statements shall disclose, for each class of property, plant and equipment recognized in the financial statements:
  - i) The measurement bases used for determining the gross carrying amount. When more than one basis has been used, the gross carrying amount for that basis in each category shall be disclosed;
  - ii) The depreciation methods and the useful lives or the depreciation rates used.
  - iii) The gross carrying amount and the accumulated depreciation and aggregated impairment losses at the beginning and end of the period; and
  - iv) A reconciliation of the carrying amount at the beginning and end of the period showing additions and disposals.

## **CHAPTER 8**

### **PROCUREMENT AND INVENTORY MANAGEMENT**

Chapter 8 provides for the procurement and inventory management systems, processes, procedures and guidelines for compliance by all University stakeholders.

#### **8.1 Procurement Policy Guidelines**

- (a) No item shall be procured for the University unless;
  - i) It has the approval of the Accounting Officer.
  - ii) It has been provided for in the approved annual budget and Procurement Plan.
  - iii) Funds are available for it at the time of the procurement.
  - iv) It is done with the highest professional, ethical, moral and legal standards within the spirit of the prudent person principle.
  - v) It reflects fairness in the spending of the University resources.
- (b) These procedures shall be reviewed from time to time to take into consideration the changing mode of operations in the University and the macro economy as a whole.

#### **8.2 Procurement Requisition Form**

- a) A Procurement Requisition Form 5 shall be initiated by the user department.
- b) The request shall be recommended by the Head of Department, verified by the University Bursar and approved by Accounting Officer.
- c) The procurement requisition shall be prepared in one copy.

#### **8.3 Contracts Committee**

- 1). There shall be a Contracts Committee constituted in accordance with the PPDA Act 2003 (as amended).
- 2). The functions of Contracts Committee shall be as stipulated in section 28 of the PPDA Act 2003 (as amended) and the regulations therefrom.

#### 8.4 Purchase Order

- a) A Purchase Order shall be prepared in three copies by the Procurement and Disposal Unit, endorsed by the user department, recommended by the University Bursar and approved by the Accounting Officer.
- b) The three copies of Purchase Order in 8.4 (a) above shall be signed and stamped “**received**” by the supplier/service provider and distributed as follows:
  - i) The original copy shall be given to the Supplier for his/her records.
  - ii) The second copy (duplicate) shall be sent to finance department for documentation.
  - iii) The third copy (triplicate) shall be returned to the Procurement and Disposal Unit and filed with a copy of the purchase requisition form.

#### 8.5 Stores and Inventory Management procedures

- a) The goods shall be inspected by the Internal Auditor in the presence of the representative from the user department for specifications verification and the Stores Officer to ensure they match with the order before they are received into stock with a Goods Received Note.
- b) The Stores Officer shall enter the quantity and value of goods and assets received into the Stores Ledger and the Fixed Assets Register respectively.
- c) Bin Cards shall be maintained to record all receipts and issue of goods.
- d) All users shall raise a Stores Requisition Form and hand it over to the University Bursar who shall authorize the requisitions.
- e) The Stores Officer shall issue the goods to the recipient who shall sign the stores issue form as an acknowledgement of receipt of the goods.
- f) The Stores Officer shall then record into the ledger the quantity and value of goods issued. The stores ledger shall at any time show the date, recipient; goods received, issued and balance.
- g) Physical stock taking shall be done annually by the Internal Auditor.
  - h) Actual stock count shall be compared and reconciled with the stores ledger records.

- i) All discrepancies shall be thoroughly investigated and corrective action promptly taken.
- j) In any instance, the accounting records shall always bear the correct amounts supported by physical existence.

#### **8.6 Goods Received Note**

- a) The goods together with the supplier's Invoice and Delivery Note shall be received at the premises of the University.
- b) After specifications verification by an Internal Auditor and the user department representative, a Goods Received Note shall be issued. It shall be signed by the Internal Auditor and a representative from the user department.
- c) It is at this stage that the processing of payment commences after the completeness of documentation.

#### **8.7 Payment for Goods and Services**

- a) The Accountant shall raise a Payment Voucher based on the terms of payment.
- b) The payment voucher shall be recommended by Cost Centre Manager, verified University Bursar and approved by the Accounting Officer.

#### **8.8 Controls over Acquired Assets**

- a) The overall responsibility of control of assets is vested with the Accounting Officer. The Accounting Officer shall ensure maintenance of the Fixed Assets Register.
- b) The Accounting Officer shall keep in safe custody all relevant documents of Fixed Assets.
- c) The use of University vehicles and other assets shall be properly recorded and approved before use in accordance with the University Fleet Management Policy.
- d) Assets shall be well maintained at all times.
- e) The Faculty Deans and the Academic/administrative heads of department shall be held responsible for supervision of the safety, security, maintenance and accountability of all assets under their custody.
- f) Similarly, any University staff who is in charge or custody of any university assets shall be required to take care for the safety, security, maintenance and accountability of those assets.



## **CHAPTER 9 PAYROLL MANAGEMENT**

Chapter 9 provides for systems, procedures, processes, control measures and guidelines for planning and managing the University payroll.

### **9.1 Preparation of Payroll**

a) The Director Human Resource shall prepare a Payroll before the 6<sup>th</sup> day of every month using a payroll that has been authorized by the Ministry of Public Service (MOPS) and approved by the Accounting Officer.

#### **b) Integrated Payroll and Pension System (IPPS)**

##### **i) Definition of IPPS**

It is an enterprise-wide integrated, computerized and efficient human resource management information system used by Public Sector entities to perform human resource management activities from recruitment to separation, including payroll and pension processing.

##### **ii) Role of IPPS**

The system is designed to improve, automate and enhance human resource management processes including pensions and payroll.

The system seeks to improve the quality of human resource information and provide timely and accurate information for human resource management decisions, available to decision makers within the Public sector.

It improves the effectiveness and efficiency in transactional services such as processing and payment of salaries directly to employees account with appropriate deductions and remittances of third party payments.

It facilitates and enhances the integration with other financial management systems such as the IFMS thereby avoiding duplication of systems and saving resources.

The preparation of the payroll shall be in conformity with the provisions under the IPPS.

**c) Payroll Deductions and remittances**

i) Pay As You Earn (PAYE) shall be deducted from staff salaries, where applicable, and shall be paid to Tax authority not later than 15<sup>th</sup> of the subsequent month in line with the prevailing tax rates.

ii) For all applicable Ugandan employees, 5% and 10% of their basic salary shall be deducted as contributions from the employee and the employer respectively and paid to the Social Security Fund (NSSF) before the 15<sup>th</sup> of the Subsequent month.

iii) Where a staff has taken a salary advance, there shall be appropriate deductions to that effect before payment of his/her salary.

**d) The payroll shall have columns for the following:**

- i) IPPS Number
  - ii) Staff Name
  - iii) Staff TIN Number
  - iv) Staff monthly gross salary
  - v) Staff 5% NSSF Contribution, where applicable
  - vi) Staff 10% Employer's NSSF Contribution, where applicable
  - vii) Staff monthly PAYE tax
  - viii) Staff net salary
- f) The payroll shall be reviewed by the Head of Human Resources and approved by the Accounting Officer.

## 9.2 Payment of Salaries, wages and allowances

- a) Staff salaries shall be paid by the 28<sup>th</sup> day of every month.
- b) Payment of salaries shall be done by direct bank transfers on the basis of the details submitted by members of staff to the Head of Human Resources.
- c) Part-time teaching employees' payments shall be made after teaching the assigned modules, upon confirmation by the relevant Academic Head of department/Faculty Dean and after clearance by the Academic Registrar.
- d) Volunteers, interns and temporary staff may be paid as shall be approved by the University Management Committee and authorized by the Accounting Officer, provided that funds shall have been budgeted for that purpose.
- e) The Director Human Resources shall prepare monthly pay slips for all staff.

## 9.3 Funding of the Payroll

The Government of Uganda fully funds the University Payroll. Based on the number of staff employed by the University, the total fund required shall be determined from year to year. Any projected staff recruitment shall be submitted to Government to enable review of staff funding levels.

## 9.4 Staff Salary Loans

The University shall have memoranda of understanding with various banks where staff of the University can obtain salary loans. The Director Human Resources shall analyze the staff payroll accounts, case by case to advise the accounting officer on the eligibility of the staff for the salary loans.

- a) The responsibility of the University Administration in respect to staff loans is threefold:
  - i) To certify that the staff member concerned is a duly employed staff of the University.

- ii) To ensure that the staff member applies for a salary loan from the bank where his/her salary is currently paid.
  - iii) To ensure that the staff member does not change his/her bank account for the period the salary loan is being serviced.
- (c) The University shall not guarantee any salary loans for any staff and shall not be held responsible for any loan default by the staff member whatsoever.
- (d) The University, however, pledges to notify the relevant banks of any vacation of employment with the university any staff with loans to enable those bank to take appropriate action.

## **CHAPTER 10: CHART OF ACCOUNTS AND OPERATING SOFTWARE**

Chapter 10 provides for systems, processes and procedures and guidelines for management of chart of accounts and the relevant accounting software.

### **10.1 Chart of Accounts**

- a) The University shall maintain consistency of its financial reporting structure by utilizing a professionally developed chart of accounts structured in conformity with the IFMIS.
- b) In the event that new account codes are required to be added to enhance financial reporting or meet specific donor requests, Accounting Officer shall notify the Accountant General for approval of the additions/modifications.
- c) The University shall use the chart of Accounts (COA) approved or issued by the Accountant General (AG)

### **10.2 Data security and Backups**

Regular backups of the system will be handled by Ministry of Finance Planning and Economic Development to ensure maximum security of the software and information contained therein.

### **10.3 Objectives of the accounting system**

The objectives of the accounting system shall be to:

- a) record the assets, liabilities, income and expenditure of the University
- b) provide information to management to assist them in running the institution's activities on a day to day basis
- c) assist the preparation of financial reports.
- d) assist the University Bursar in managing implementation of approved interventions within the approved appropriations under their control
- e) provide objective yardsticks for performance evaluation of faculties/departments and employees

f) enable management to identify reasons for adverse variance to facilitate remedial measures

#### 10.4 Basic recording and books of accounts

- a) Each individual transaction shall be processed in a double entry accounting system through one of the following computerized modules;
- i) Accounts payable module
  - ii) Cashbook module
  - iii) General ledger module
  - iv) Fixed asset module
  - v) Accounts receivable module
- b) The general ledger will be the principal book of account of the University. It is where all transactions shall be recorded either in detail or in summary totals.
- c) The general ledger shall contain accounts which show the totals of transactions that are recorded in detail in the subsidiary ledgers.
- d) All postings to the general ledger shall be made from journal vouchers. These shall either be standard journal vouchers, for items which occur regularly by month; or non-standard journal vouchers for items that are exceptional or of infrequent occurrence.
- e) Postings may also be carried out from totals derived from the computerized cash book module, accounts payable module and fixed asset register module.

#### 10.6 Integrated Financial Management System (IFMS)

The Integrated Financial Management System (IFMS) is an accounting system that tracks financial events and summarizes financial information. It is an accounting system configured to operate according to the needs and specifications of the environment in which it is installed.

The IFMS uses information and communications technology in financial operations to support management, budget decisions, fiduciary responsibilities, preparation of financial reports and statements. IFMS refers to the computerization of Public Financial management (PFM) processes from the budget preparation and execution to accounting and reporting.

A comprehensive well integrated system will:

- i) Provide timely, accurate, and consistent data for management and budget decision-making;
- ii) Support government-wide as well as agency-level policy decisions;
- iii) Integrate budget and budget execution data, allowing greater financial control and reducing opportunities for discretion in the use of public funds;
- iv) Provide information for budget planning, analysis and government-wide reporting
- v) Facilitate financial statement preparation; and
- vi) Provide a complete audit trail to facilitate audits

### **10.7 Implementations of IFMS**

Notwithstanding the provisions of this Manual, the University shall implement IFMS and any other financial management systems in accordance with the policy of government.

# CHAPTER 11: FINANCIAL REPORTING

Chapter 11 provides for the systems, processes, procedures and guiding principles for managing financial reporting.

## 11.1 Fair Presentation and Compliance with International Public Sector Accounting Standards (IPSASs)

To comply with the provisions of, the University would ensure that;

- a) The financial statements present fairly the financial position, financial performance and cash flows of the entity;
- b) The financial statements comply with all the requirements of each applicable IPSAS
- c) Where the financial statement complies with other Standards such as International Financial Reporting Standards (IFRS) in situations where there are no specific IPSAS, management shall disclose this fact.
- d) In the extremely rare circumstances in which management concludes that compliance with a requirement of an IPSAS would be so misleading that it would conflict with the objective of financial statements set out in IPSAS 1, Presentation of Financial Statements, and where the relevant regulatory framework requires, or otherwise does not prohibit such a departure the University shall ensure the following have been disclosed:
  - i. That the financial statements fairly present the University's financial position, financial performance and cash flows;
  - ii. That the University has complied with applicable IPSASs except that it has departed from a particular requirement in order to achieve a fair presentation.

## 11.2 Qualitative Characteristics of Financial Statements

These are the attributes that make the information provided in the financial statements useful to users. The principal qualitative characteristics shall be;

- a) Objectivity – Financial accounting system shall be based on actual, verifiable events and should be reported in an unbiased manner.
- b) Relevance - financial accounting statements shall provide relevant information, which is responsive to the stakeholders' information needs.
- c) Reliability – In order for financial accounting statements to be reliable, some assurance must exist that the statements do in fact represents what they purport to represent
- d) Comparability – The conduct of comparative analyses between accounting periods constitutes one of the major characteristics assumed for the stakeholders of financial accounting. Comparability calls for like events to be reported in the same manner. When a change is made, its nature, effect and justification must be explained
- e) Entity concept – Financial accounting statements and records pertain to specifically defined business entity. The entity concept directs that the accounting records reflect only the activities of the business.
- f) Unit of measurement – The common denominator is money. The reporting currency is the Uganda shillings.
- g) Materiality – The concept states that any amount or transaction that has significant effect on the financial statements should be recorded and reported correctly.
- h) Accounting period – The financial accounting process provides information about the economic activities of the University for the specified time periods.

### **11.3 Notes and Supplementary Schedules**

- a) The financial statements shall contain notes, supplementary schedules, and other information to make them meaningful to the end-users.
- b) They shall contain information that is relevant to the needs of users about the material risks and uncertainties affecting the institution and any obligations not recognized in the statement of financial position, including contingent liabilities.

### **11.4 True and Fair View**

- a) The financial statements of the University shall give a true and fair view of the state of affairs, the financial performance, financial position and cash flows for each financial period.
- b) The University Bursar shall be responsible for ensuring that the financial statements are prepared in this manner. The University shall apply the accounting assumptions and concepts described in this section on the appropriate IPSAS, which would then result in a true and fair view of the financial statements prepared.
- c) Any material non-compliance, including any deviations from an IPSAS, and the effect of any such non-compliance shall be disclosed in the financial statements as notes.

### **11.5 Communication of Standard Accounting Guidelines**

The University Bursar, in consultation with Deans of Faculties, Academic/Administrative Heads of Department and Affiliated Institutions shall issue standard accounting guidelines from time to time in order to classify and standardize accounting policies and procedures which are specific to the University operations.

### **11.6 Common Information in Financial Statements**

The University Bursar shall be responsible for the preparation of the annual financial statements. This shall be reviewed by the Accounting Officer and approved by the Accountant General.

A complete set of financial statements according to IPSAS 1 shall comprise of:

- (a) A statement of financial position;
- (b) A statement of financial performance;
- (c) A statement of changes in net assets/equity;
- (d) A cash flow statement;
  
- (e) A statement of comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; and
- (f) Notes, comprising a summary of significant accounting policies and other explanatory notes.

(g) Format Used;

The formats for the preparation of the statements of financial performance, statements of financial position, cash flow and notes shall be as set out in the financial reporting guidelines issued by the Accountant General from time to time.

## 11.7 Monthly and Annual Reporting Procedures

### a) Monthly Procedures and Time Table

The following procedures shall be followed in the preparation of monthly reports:

- i) The University Bursar will use tools aimed at ensuring that monthly reports are ready for presentation to Finance Management Committee not later than 10<sup>th</sup> of every month following the end of the relevant month.
- ii) For each month a complete set of management information reports, which include the following listed below, shall be required by the 10<sup>th</sup> of the following month:
  - monthly management accounts;
  - budgetary variances;
  - project reports; and
  - Notes and supporting schedules.
- iii) As far as the financial statements are concerned it is a standard requirement that these shall be completed by 15<sup>th</sup> day after the end of each Quarter.
- iv) The University Bursar may circulate other guidance notes to Faculties, Heads of Academic/Administrative Departments as they become necessary for the preparation of the monthly accounts and reports.

## **b) End of Year Reporting**

- i) Prior to the end of the financial year, the University Bursar shall prepare for submission of accounting returns and other financial statements as per the Public Finance Management Regulation, 2016.
- ii) The annual accounts shall be completed by 31st August following the end of the financial year.
- iii) Once the trial balance has been extracted correctly, the University Bursar shall prepare the statutory accounts in accordance with International Public Sector Accounting Standards. He/she shall ensure that the statutory accounts are completed and are ready for audit by the Office of the Auditor General as provided for in section 15 of the National Audit Act, 2008.
- iv) After the audit report, the University shall keep all documents pertaining to all audited accounts for at least 7 years, after consultation with the Office of the Auditor General.

## **11.8 Financial Control**

The University shall maintain the highest levels of financial control. In order to ensure the high levels of financial control, the finance department will conduct a self-review through the use of the following:

### **a) Internal control questionnaire**

The University Bursar or his designate will ensure the finance regulations, policies and procedures detailed in this manual are operating effectively by performing self-audits twice a year as follows:

- i) An internal control questionnaire shall be developed to provide a tool for self-auditing of the control and operating procedures defined in this manual;
- ii) The internal control questionnaire is a tool to ensure the institution or operation is in compliance with provisions in the manual. This helps to determine the training needs of employees;
- iii) The University Bursar shall summarize the key outcomes from the checklist and follow up the actions necessary to ensure compliance.

## **SCHEDULES**

### **FIRST SCHEDULE: THE UNIVERSITY MANAGEMENT COMMITTEE**

The following shall be the members of the University Management Committee:

- (a) Vice Chancellor
- (b) Deputy Vice Chancellor, Academic Affairs
- (c) Deputy Vice Chancellor, Finance and Administration.
- (d) University Secretary
- (e) Academic Registrar
- (f) University Bursar
- (g) Dean of Students
- (h) University Library
- (i) Two Faculty Deans/Directors

### **SECOND SCHEDULE: UNIVERSITY FEES AND CHARGES**

The list and rates of tuition fees, functional fees, field work/industrial training fees and charges indicated below are subject to revision from time to time by the University Council.

#### **A: TUITION FEES**

The rates of tuition fees shall be set and/ or reviewed in accordance with programs and levels of study from time to time.

#### **B: FUNCTIONAL FEES**

Computer Laboratory Fees  
Contribution to NCHE  
Development Fund  
Examination Fee  
Students Guild Fees  
Games Union Fees  
Identity Card  
Library Fees  
Medical Fees  
Research Fees  
Training materials (Engineering only)  
Skills Laboratory Fee (For BNS, MBChB)  
Students' Manual  
Transport fee (for BNS, BEH, MBChB)  
University Gown  
Graduation fee  
Contribution to UNSA

#### **C: FIELD WORK/INDUSTRIAL TRAINING FEES**

Field attachment  
School practice  
Internship

#### **D: OPTIONAL FEES**

Meals Fees  
Accommodation Fees

#### **E: CONSEQUENTIAL/CIRCUMSTANTIAL CHARGES**

Late Registration  
Retake/missed examination  
Special Examination Fees  
Lost certificate/Transcript replacement  
Lost identity card replacement  
Lost Library card Replacement  
Lost Admission Letter Replacement  
Certification of Academic Papers

## **THIRD SCHEDULE**

### **FEES PAYMENT SCHEDULES, DEADLINES AND SURCHARGES.**

The following schedules and deadlines shall be abided by all students in due course of paying University fees to avoid surcharges;

All the students shall be expected to have paid full fees by the beginning of each semester or at least 50% of the total bill to be eligible for registration.

1. That failure to comply with the above fees payment deadline shall automatically attract a surcharge of 50,000=.
2. All students shall be expected to have paid 100% of the Fees for the beginning of the end-of-semester examinations in order to be cleared for sitting examinations.
3. No student shall be allowed to sit an examination without full payment of fees.