

NATIONAL OPEN UNIVERSITY OF NIGERIA

FINANCIAL MANAGEMENT MANUAL

AFRICA CENTRE OF EXCELLENCE ON TECHNOLOGY ENHANCED LEARNING (ACETEL)

National Open University of Nigeria (NOUN) has many departments that are saddled with various responsibilities, among which the Bursary Department is one of them.

The Bursary Department has a pool of Professional Accountants, headed by a seasoned Administrator and a Fellow of Certified National Accountant (FCNA). The Department has eight (8) Units headed by professionals not below the rank of Chief Accountant.

The Units are:

- 1) Budget
- 2) Expenditure
- 3) Business and Auxiliary Services
- 4) Students Account
- 5) Treasury
- 6) Store
- 7) Payroll
- 8) Final Accounts and Reports.

Financial management involves planning, organizing, controlling and monitoring financial resources in order to achieve organizational objectives and involves a range of financial tactics.

ACETEL will have a bank account with the Central Bank of Nigeria (CBN), dedicated to the project. The signatory arrangement will be:

Panel A – The Vice chancellor and the Centre Director

Panel B – The Bursar

Tracking of ACETEL Grant

- ✓ The Bursar maintains a designated University Domiciliary account into which the Project funds are transferred directly by the grantee or donor.
- ✓ A separate local currency naira account is also opened in the name of the project.
- ✓ A designated dollar and naira endowment account is opened for the project.
- ✓ The authorized signatories to African Center of Excellence (ACE) project account comprise of four designated staff in two categories, that is, category A and B. Category A is the Project Center Leader, while category B comprise the three remaining designated staff.

- ✓ There will be at least two signatories required for each approved payment, that is, one from category A and the Bursar and any other from category B.

Procedure

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

Directorate of Audit

- ✓ Post payment audit and risk-based audit is adopted.
- ✓ All vouchers paid together with the supporting documents will be forwarded to the Directorate of Audit for post auditing.

Disbursement

- The Procurement Officer raises vouchers for purchases within a given threshold, sends to the Centre Director for approval, to the Audit Unit for authentication, to Account Unit for payment and receipts documentation.
- Petty cash expenditure vouchers are initiated by the beneficiary, approved by the Centre Director, authenticated by the Audit, paid by the Accountant, and receipts documented/filed.
- The Project Accountant will raise Expenditure Authorization and Approval Form (EAA) or cash advance form or Local Purchase Order and attach necessary documents to support the payment.
- The duly signed EAA form with the code of charge will be forwarded to the Centre Director for approval.
- The Centre Director is allowed to obtain travel claims, consumables, conduct Staff capacity building programs, and pay for other expenses in line with the approved budget/work plan for ACETEL.
- The Project Accountant monitors the spending of the project funds in accordance with the ACETEL work plan and University Financial Regulations.

Expenditure Vouchers

There will be two types of Vouchers:

- a) Staff Expenditure Vouchers:
These are Staff related expenditures, such Staff salaries, Duty Tour Allowance etc.
 - ✓ Single voucher Payments below N20,000 are paid through the Centre's cashier.
 - ✓ Advances of N10, 000 and above pass through the Audit.

- b) Contractors Expenditure Vouchers:
These are vouchers raised on behalf of the Centre's contractors.

Procedure for payment

- ✓ Claims for payment are initiated by the beneficiary (Staff and Contractor)
- ✓ Recommendation by the Departmental/Unit head of the beneficiary (Staff only)
- ✓ **Single claim above N50, 000 is approved by the Vice Chancellor, while the Bursar approves claims below N50, 000.**
- ✓ The Accountant minutes the claim to the expenditure Officer to raise payment voucher with appropriate expenditure code.
- ✓ The Expenditure Officer raises payment voucher, allocates voucher number to the claim and send to the Audit unit for verification and authentication.
- ✓ The Audit unit authenticates the payment voucher and return same to the Expenditure Officer.
- ✓ The Expenditure Officer examines the payment voucher in case of any query from the Audit, and informs the initiator for corrections , if not, removes the green copy for recording and sends the voucher to Treasury Officer for payment
- ✓ The Treasury Officer schedules the voucher for payment into the recipient's bank account through e-transact payment system.
- ✓ The Treasury Officer makes the payment, record the transaction appropriately, and document the vouchers.
- ✓ In the case of payment to a Contractor, the Treasury Officer deducts at source, necessary tax such as withholding tax and schedule the balance for payment.

Reimbursement

Where there is an urgent need to travel or incur out-of-pocket expenses, the receipts for reimbursement must be audited and an application for reimbursement written to the Vice-Chancellor for approval and also endorsed by the Bursar before the documents can be processed by the Finance Officer for refund

Cash Advance

- ✓ No cash advance can be obtained without retiring the previous advance taken.
- ✓ Cash advance can only be utilized for the purpose it was intended.
- ✓ Unspent balance of cash advance must be paid back into the ACETEL project account appropriately.
- ✓ All cash advances obtained must be retired with supporting documents within two weeks of completion of the assignment, especially, travelling advances.
- ✓ No cash advance will be approved beyond N500,000

Operating cost

The Finance coordinator will maintain an imprest account of N50, 000.00 or as may be recommended, to settle Project's office petty expenses.

Preparation of Reports

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