



**VICTORIA
UNIVERSITY**

Kampala · Uganda

FINANCIAL POLICY

December 2018

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1.0. Introduction

1.1. About Victoria University

Victoria University (VU) has positioned itself as a high quality education and research institution in the region. Furthermore, the University has undertaken consultancy, knowledge transfers partnerships and business incubation in various sections of social, economic and health sectors.

The Vision of Victoria University is “To be a center of Excellence for Higher Education”. The Mission of the university is “To transform the lives of our students and advance Africa and beyond through our teaching and learning, diversity and inclusion, discovery, research and creativity, promotion of health, and deep community engagement”.

1.2. Financial Policy

- a) The Financial Policy provides Roles, Authority, and Responsibility for essential financial decision of University. The Financial Policy for Victoria University is developed and approved by the University Council. The purpose finance policy is to ensure that the financial and physical resources are effectively managed.
- b) The main objective of the policy is to provide a detailed guideline, rules, principles and procedures for the effective management of financial resources at Victoria University.
- c) The policy provides a standardized approach to financial management, accounting systems and guidelines for the University. This policy has been designed to assist all University units in handling their daily financial transactions. The Policy is directed to those administrators who have responsibility for the financial operation of the University and is intended to provide boundaries within which financial transaction are undertaken serve as a reference guide. The policies contained herein delineate responsibility, authority and accountability. It is the responsibility of all administrators with financial responsibility to familiarize themselves with these policies in order to provide proper guidance to all University employees. It is the responsibility of every University employee to follow the stated policy.
- d) The Vice Chancellor's shall be responsible for the implementation of this policy.

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2.0 Authority, Revision and Interpretation of the Policy

This policy shall be the supreme policy on guidelines, procedures and instructions relating to financial management. It shall be subject all Statutory Instruments by the Government of Uganda. The policy shall be consistent with and subject to relevant law of Uganda.

e) The authority, revision and interpretation of the policy shall be vested in the following: -

a) The Vice Chancellor who is the accounting officer shall have the power to give interpretation or guidance on any matter, paragraph in this policy that is deemed to be mis-understood

b) In case of any contention, or doubt, the final recourse for interpretation of any matter in the policy shall be with the University Council through its relevant Committee

c) The University Council shall from time to time when deemed necessary issue new financial guidelines to fill any gap in the policy

d) The University Management shall be responsible for initiating and submitting proposals for review and or revision of the policy to University Governing Council

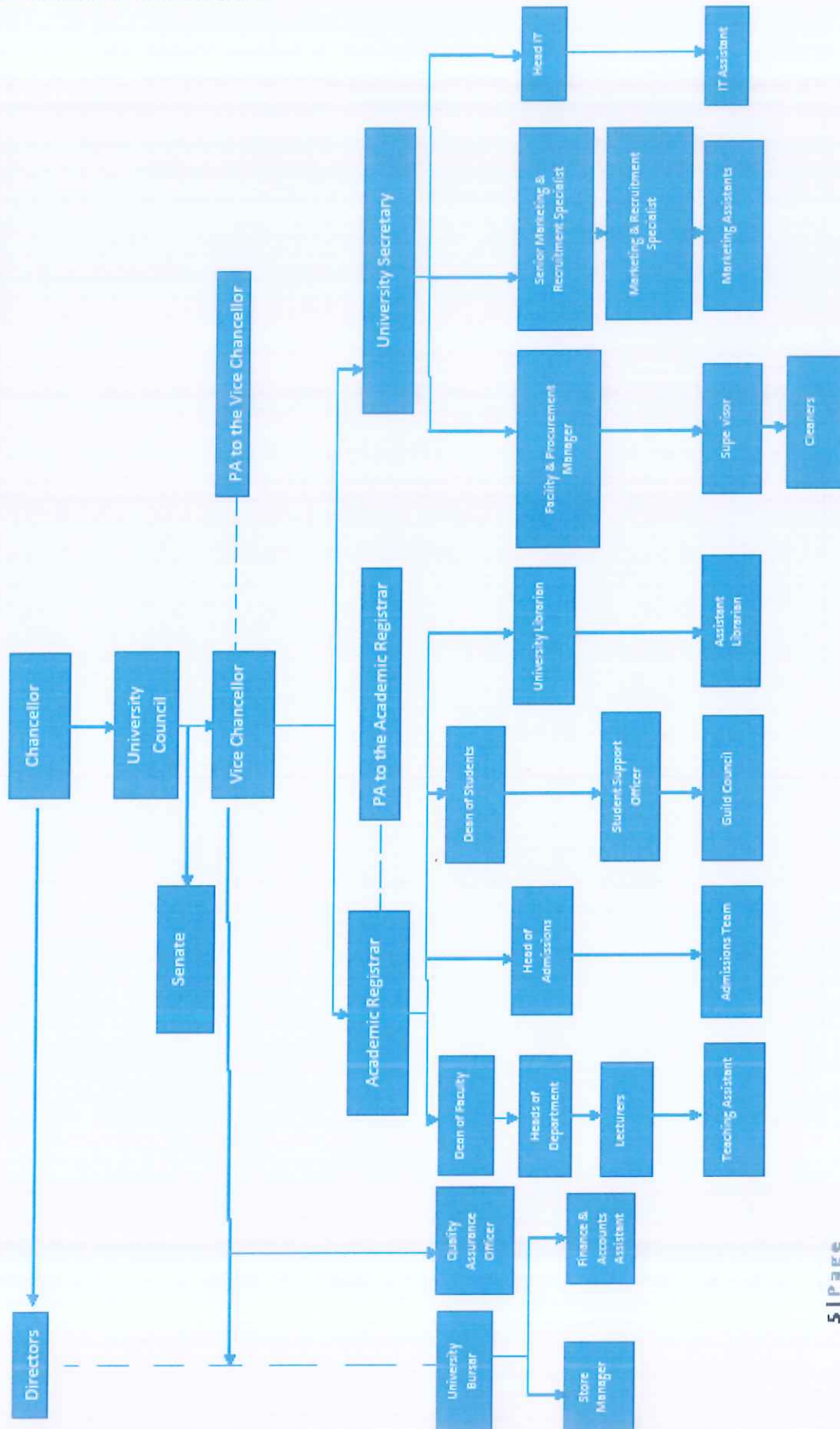
The policy shall be made available in both soft and hard copies for ease of access by all staff.



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3.0 Governance Structure:

3.0 Governance Structure



4.0 Financial Control

4.1. Board of Directors VU Ltd.

Board of Directors of Victoria University Ltd. is responsible for conducting oversight function over both University activities and governance structures within it. The Board of Directors shall oversee the University Council and the University Council is required to submit an annual detailed financial report of the University Board of Directors.

Functions of the Board of Directors in financial management

- i. Mobilize financial resources of the University.
- ii. Liaise with Council on all financial matters.
- iii. Should receive financial status from council of university on quarterly basis.

4.2 University Council

Functions of the University Council;

1. To approve the University Annual budget estimates in order to authorize the collection of revenue and incurrence of expenditure by the University Management.
2. To exercise policy making and supervisory control over University financial resources in accordance with the policy and any other guideline;
3. Participate in the recruitment of the financial officers and Accounting Officers of the University;
4. To approve salary structure, allowances to the staff of the University;
5. To receive and discuss financial reports and proposals from Management through its relevant committee
6. Monitor the financial health of the University.
7. Prepare annual financial report of University.
8. Council shall by resolution in liaison with the BOD authorized to open and close university bank account and the financial institutions thereof.

4.3. University Management

The University Management Team is headed by the Vice-Chancellor and all financial matters are directly a responsibility of the Vice Chancellor.

The Vice Chancellor shall be the Accounting Officer of the University and as such shall be responsible for all Financial Affairs of the University.

The Vice Chancellor shall be assisted in the handling of financial matters by the University Bursar.

4.4. External Auditors

The Council shall appoint an Auditor(s) in liaison with BOD (VU Ltd.) who shall conduct an audit of the University activities. Council will be required to discuss the audit report and ensure the implementations of the recommendations. The audited accounts shall be ready by 30th Nov.

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5.0 Financial Management

5.1. Budget and Resource Allocation

5.1.1. The Budget Process

The University Bursar shall be responsible for preparing the University's budget estimates based on the estimates provided by the unit heads.

The University Management reviews estimates before they are presented to the Finance Planning Committee and Council. These estimates contain the detail of budget allocations into individual cost centers.

5.1.2. Budgetary Control

The control of expenditure within approved budgets for University-funded and also externally funded activities is the responsibility of the Head of the user department concerned who should ensure that appropriate records are maintained.

The University Bursar shall supply management information on a routine and regular basis, and will supplement this on request with more detailed information as required. The approval of the Vice Chancellor must be sought regarding any proposed financial commitment, which cannot be met from within the budget allocation.

5.2. Accounts

5.2.1. Preparation of Accounts

University Bursar shall be responsible for preparing the University's Annual Accounts and for ensuring that audited accounts are presented to Council through the Finance and Planning Committee.

The preparation of the University's Annual Accounts are based on the general accepted Accounting principle. Format recognized by the Audit Professional Body in Uganda.

5.2.2. Accounting Records

The accuracy of accounting records and balances on accounts are the responsibility of

University Bursar. The University Bursar and his/ her delegates are responsible for the correct coding of income and expenditure to appropriate account codes and project codes.

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6.0 Income

6.1. General

6.1.1. University Bursar

The University Bursar is responsible for ensuring that appropriate procedures exist to enable the University to receive all income to which it is entitled.

6.1.2. Heads of User Department

The heads of user department shall be responsible of generation income and ensuring that the University Bursar is informed promptly of all income due to the University and should provide promptly such information as the University Bursar and Administration requires for the purpose of collecting such income. All requests for monies due to the University should be rendered on official invoices issued through the office of University Bursar.

6.2. Receipts

6.2.1 Fees and other financial collections

As much as possible all bank receipt must be deposited in the designated bank University account. Cheques may however be received by a designated officer in the bursar office.

The University Bursar shall make arrangements for the prompt collection, security and banking of all funds received by the University and shall ensure that:

- (i) Such income is fully recorded either by a receipt or other appropriate method;
- (ii) Any other income is banked intact to an official account of the University, as soon as possible.
- (iii)

6.3. Debt Control

The University Bursar shall be responsible for an efficient and effective debt control and collection system. The Vice Chancellor must be informed if there is any reason why a debt may prove difficult to recover.

6.4 Credit Terms and Debt Write Offs

Sums due to the University should be paid in accordance with the terms of the contract or standard commercial terms where applicable. No credit or delayed payment will be normally permitted. Debts must not be in any way amended or written-off except by the University Council

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7.0 Expenditure

7.1. General

The University Bursar shall be responsible for making all payments due by the University and must follow all payment procedures.

7.2. Authority to Incur Expenditure

(i) No expenditure may be incurred by a Head of a user department unless provision for such expenditure is included in the Annual Budget or Supplementary budget by University Council or is covered by a specific provision, from an external source, accepted formally on behalf of the University by an officer authorized in that behalf by the Vice Chancellor.

(ii) A Head of a user Department may incur expenditure within the approved budget provided that the expenditure is authorized by the Vice Chancellor.

(iii) Decisions to employ academic and administrative staff, including the re-filling of a post, even where covered by a budget, must be approved by the appointing authority, even where the post is externally funded as provided in the HR Policy.

7.3. Authorized Signatories

The Authorized signatories to the University accounts shall the VC and the University Bursar University Secretary and such other persons as shall be appointed by Vice Chancellor.

7.4. Salaries, Wages and Fee Payments

(i) The University Bursar shall be responsible for payments of salaries, wages and other emoluments;

(ii) The wages shall be paid as agreed in the contracts subject to statutory deductions.

(iii) All fees payable to the University shall be paid to the University Accounts and the receipts furnished to the Bursar's office.

7.4.1 Payment of wages, salaries and other remuneration

Except where specifically directed by the Vice Chancellor, all payments of wages, salaries or other emoluments of University officers or employees shall be made through the University payroll.

7.4.2 Retirement Benefits

The eligibility of staff for National Social Security Fund (NSSF) shall be provided for NSSF Act. The University Bursar shall be responsible for undertaking the University Council's role as employer in relation to all retirement benefits matters.

7.4.3 Taxation

Responsibility for accounting for PAYE, and any other taxes, and for making all statutory returns, rests with the University Bursar. Where payments for services rendered are made to individuals not employed by the University, the University shall be responsible for maintaining any records required by the Uganda Revenue Authority for tax purposes.

7.4.4 Employment of Students

Where students of the University are employed by the University for casual work, the financial arrangements shall be made through the Bursar.

7.4.5 Capital Expenditure.

- (a) Capital projects shall be approved by the Board of Directors on recommendation of University Council
- (b) All capital expenditure on land, buildings, furniture, equipment and any associated costs may only be incurred if it is part of an approved Budget and detailed procedures for such financial transactions are followed.
- (c) When part of a capital project is funded by a grant, the grant claim process must be initialized before expenditure will be authorized.
- (d) The University Bursar is responsible for providing regular statements relating to all capital expenditure to Council.

7.5. Entertaining

- (i) Expenditure for hospitality and entertaining of third parties may be charged to University public relations liaison fund where incurred in the course of the University's business within budgeted amount and after approval by the Vice Chancellor.
- (ii) Entertaining not involving third parties shall be through a special request to University Council.

7.6. Donations

The University may make donations where each is not more than UGX 20 million as may be approved on the recommended for the University Management and approved by University Council

8.0 Assets

8.1. General

Vice Chancellor shall be responsible for all estates and assets of the University. Heads of units and all staff shall take responsibility for the security and custody of all University assets under their jurisdiction, whether tangible or intellectual. Cash, stores and other especially valuable assets must be handled in accordance with the appropriate Financial Procedures issued by Finance and Planning Committee.

8.2 Disposals

Disposal of University property must be made in accordance with the procedure set out in the procurement and disposal policy.

8.3. Investments

- (i) The Finance and Planning Committee is responsible for oversight of all investment of funds of the University.
- (ii) The Finance and Planning Committee may seek such advice for the investment of University funds;
- (iii) The University Bursar is responsible for remitting all funds for investment with organizations on a list approved by the Finance and Planning Committee, maintaining records of investments, both capital and income, for ensuring safe custody of all relevant documents, and for reporting investment performance regularly to the Investment Sub-Committee. No investment of University monies shall be made other than in accordance with arrangements approved the Finance and Planning Committee on the recommendation of the Investment sub-committee and communicated in writing by the Chairperson for Finance and Planning Committee.

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9.0 Other Financial Related Regulations and Procedures

9.1. Banking Arrangements and Cheques

- (i) All the University's banking arrangements shall be made by the Finance and Planning committee after approval by Council.
- (ii) No employee other than those mandated by the University Council may sign or endorse cheques or other similar instruments on behalf of the University.
- (iv) No individual other than those mandated by the University Council shall be empowered to give instructions to the University's Bankers.

9.2. Security

Heads of units are responsible for the proper application of the funds allocated to them. In exercising their responsibilities Heads of units must have regard to security measures to safeguard University funds and other assets under their control against misuse or misappropriation.

9.3. Private Work

All full-time employees of Victoria University shall not undertake work for any other body other than Victoria University during the stipulated official working hours. The Vice Chancellor on the recommendation of University Senate may approve part-time teaching by University full-time employees at other institutions during stipulated working hours.

9.4. Conflicts of Interest

- (i) No member of the University nor employee shall take an active part in any discussions, negotiations or transactions involving the University in which they or their spouse, partner or any family member has an existing or potential, financial or other beneficial interest. If any circumstances arise where this may be the case, the member of staff shall be obliged to report to their Head of Unit. They may proceed only with the approval in writing of the Vice-Chancellor.
- (ii) No employee of the University shall, without the express written approval of the Vice-Chancellor take or hold any financial or any other beneficial interest in any commercial entity, with which the University has, or may reasonably be expected to enter into, a commercial relationship. For the purposes of this regulation the term "entity" shall include a commercial activity by an individual acting as a sole trader. The term "interest" shall include any right or entitlement to share in the commercial profit/losses of such entity, other than by way of a shareholding in a public limited company listed on a recognized Stock/

Securities Exchange.

(iii) All members of the University Council, University Senate, University Management Committee and Faculty Boards will be required to declare their interests before the commencement of a University meeting to which they are members.

9.5. Memorandum of Understanding (MOU)

All MOUs shall be signed by the Vice Chancellor and University Secretary and witnessed by either the Academic Registrar or the head of the beneficiary user department.

9.6. Co-operation/ Collaboration agreements

All co-operation/ collaboration agreements shall be signed by the Vice Chancellor and University Secretary, and witnessed by either the Academic Registrar or the head of the beneficiary user department.

9.7. Contracts

(i) A written contract may be made on behalf of the University by any person acting under the express authority of the University Council. Procurement contract shall be made in accordance with the procurement and disposal policy.

9.8 Financial Irregularities

For the purpose of this Policy, irregularities include but are not limited to:

- i) Misappropriation of the physical, monetary or intellectual property assets of the University;
- ii) Destruction, concealment or falsification of an account, record or document made for accounting purposes;
- iii) Production or use of any account, record or document which is known or suspected to be misleading, false or deceptive in any material particular;
- iv) Accepting, agreeing or attempting to obtain a bribe;
- v) Giving or agreeing to give or offer a bribe;
- vi) Attempts to conceal any of the above.

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Chairman



Ag. University Secretary/Secretary