



FINANCE POLICY

Version	1.0
Short description	Finance Policy
Relevant to	Council, Management, Senate, Staff and Students
Approved by	University Council
Responsible officer	Finance Officer
Responsible office	Office of the Vice-Chancellor
Date introduced	July, 2013
Related University documents	University Charter, Statutes, Students Fees Policy, Part –Time Teaching Policy and other relevant University Policies
Related legislation	Constitution of Kenya,2010, Public Finance Management Act, 2012, Public Audit Act, 2003, State Corporations Act, Cap 446, The Public Procurement and Disposal Act,2005, Universities Act,2012
Key words	Finance, Budget, Expenditure, Revenue

JULY, 2013

APPROVAL

The University of Eldoret having been awarded its Charter on 11th February 2013 has set on a growth path guided by its vision of "being a Premier University that is globally visible in knowledge generation and technological innovation". As part of laying its foundation, the University developed its Statutes in November 2013 followed by its first strategic plan which will be rolled out later this year, 2014.

The process of recruiting its top managers was completed in March 2014. The University has now embarked on the process of developing its policies which will guide decisions of the different organs of the University in order to achieve rational outcomes geared towards the growth of the University. This Finance Policy is just one of the many policies that the University is rolling out.

My special thanks go to all those who put in their time, effort and skills to develop this Policy.

By virtue of the authority vested in me as the Chairman of Council of the University of Eldoret and in reference to the approval granted by Council in its meeting of....., I hereby sign this Finance Policy this...14th...day of....June.....2014.



**Prof. Sarone Ole Sena. B.Ed.; M.Phil.; M.Sc.; Ph.D.
Chairman of Council**

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DEFINITIONS

Accounting documents: The physical object upon which transactions are made; or records evidencing the transaction. These include cheque books, receipt books, invoices, payment vouchers and bank statements.

Asset: A resource with economic value owned or controlled by the business and from which future economic benefits are expected.

Budget: A formal written statement of management's plans for a specified period of time expressed in financial terms.

Council: The University of Eldoret Council.

Expenditure: The outflow of economic benefits arising in the course of ordinary activities.

Fixed assets: Tangible assets acquired with the intention of use on a continuous basis for a period beyond 1 year.

Financial Statements: A collection of financial reports that show an organization's financial performance and condition. A complete set of Financial Statements contains a Statement of Financial Position, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash flows and Notes.

International Financial Reporting Standards: Principles of Accounting adopted by The Institute of Certified Public Accountants of Kenya.

University: The University of Eldoret

Abbreviations

AIE : Authority to Incur Expenditure

OVERVIEW OF UNIVERSITY OF ELDORET

Vision

To be a Premier University that is globally visible in knowledge generation and technological innovations.

Mission

To provide high quality Education in training, Science, Agriculture and Technology that promotes networking, Partnerships and linkages with other institutions and industry.

Core Values

At University of Eldoret, we are committed to:

- Integrity
- Innovativeness;
- Customer satisfaction;
- Competitiveness;
- Equity; and
- Responsiveness

Mandate

The Mandate of University of Eldoret is enshrined in its **objects** and **functions**. The **objects** of the University shall be to:

- (a) Provide directly, or in collaboration with other institutions of higher learning, facilities for quality University education, including scientific and professional education, and the integration of teaching, research, outreach and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya;
- (b) Provide and advance University education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and the Senate shall from time-to-time determine and in so doing, contribute to realization of sustainable national economic and social development;
- (c) Provide programmes, products, and services in ways that reflect the principles of equity and social justice.

The **functions** of the University are listed in Part II (6) of the University Charter.

1 PREAMBLE

This Policy is aimed at facilitating sound financial management and controls for the good of the University. It is made in fulfillment of the requirements of the Public Finance Management Act, 2012, Public Audit Act, 2003, Universities Act, 2012, State Corporations Act Cap446, The Public Procurement and Disposal Act,2005, University Charter and Statutes. Sections of some of the clauses in this policy are derived from the International Financial Reporting Standards (IFRSs). If any clause in this policy contravenes the provisions of any of the Acts cited, the provisions of the Acts or other relevant laws shall prevail.

1.1 Objectives

The main objectives of these regulations are as follows:

- 1.1.1 To evolve, maintain and promote sound financial management systems, procedures and controls that facilitate and enhance efficient and effective financial management practices in the University.
- 1.1.2 To plan, rationalize, co-ordinate and control revenue inflows and expenditures of the University in relation to the provision of:-
 - 1.1.2.1 Academic, research and outreach activities and programs.
 - 1.1.2.2 Students' development, welfare and performance.
 - 1.1.2.3 The welfare and development of academic and non-academic members of staff.
 - 1.1.2.4 Capital development.
 - 1.1.2.5 Procurement, repair, maintenance, safety and security of the University property, plant, equipment and all other assets.

1.2 Authority

The Finance Officer under the direction of the Vice-Chancellor shall be responsible for ensuring compliance with these regulations by all operating units of the University or authorized officer.

1.3 Operationalization of these regulations

- 1.3.1 For the purposes of these Regulations, the Vice-Chancellor shall authorize all expenditures on matters pertaining to functions and operations of the University or authorized officer in accordance with the relevant laws.

- 1.3.2 The University Council is responsible for the maintenance of proper books and records of accounts of the income, expenditure, assets and liabilities of the University.
- 1.3.2 All AIE holders shall consult the Finance Officer with respect to any matter within their purview which is likely to affect materially the finances of the University before any provisional or other commitment is made. Upon receipt of such information, the Finance Officer will advise the Vice-Chancellor appropriately.

2 FINANCIAL ADMINISTRATION

2.1 Fiscal Year

The fiscal year of the University shall be a period of twelve months commencing 1st July to 30th June of the following year.

2.2 Management of University Finances

The overall responsibility of management of the University financial resources lies with the University Council, which is the governing body. In this regard, the Council has the following functions:

- 2.2.1 Approve the University Annual Budget.
- 2.2.2 Approve policies.
- 2.2.3 Approve fees and other levies.
- 2.2.4 Administer the property and funds of the University
- 2.2.5 For effective management of this function, the University Council may delegate part of its responsibility to various organs and persons as mentioned herein below:

2.2.5.1 Chief Accounting Officer

The Vice Chancellor shall be the Chief Accounting Officer of the University. All other officers exercise delegated authority and are thus responsible to the Vice Chancellor for the accounting functions in their respective units.

2.2.5.2 Finance Officer

There shall be a Finance Officer, reporting to the Vice-Chancellor and responsible for:

- 2.2.5.2.1 Management of the University's financial resources.
- 2.2.5.2.2 Coordination and control of budgets.
- 2.2.5.2.3 Management of the investment portfolio.
- 2.2.5.2.4 Preparation of financial reports and statements.
- 2.2.5.2.5 Coordination of external audits.
- 2.2.5.2.6 Advising the Vice-Chancellor on financial matters.
- 2.2.5.2.7 Liaising with relevant stakeholders such as banks and Kenya Revenue Authority.
- 2.2.5.2.8 Any other duties as may be assigned by the Vice-Chancellor from time to time.

- 2.2.5.3 **Internal Auditor**
There shall be an Internal Auditor, reporting to the Vice-Chancellor. The Auditor's main responsibilities shall be to:
- 2.2.5.3.1 Evaluate and provide reasonable assurance that risk management, control and governance systems are functioning as intended.
- 2.2.5.3.2 Evaluate information security and associated risk exposures.
- 2.2.5.3.3 Evaluate regulatory compliance.
- 2.2.5.3.4 Report risk management issues and internal control deficiencies identified.
- 2.2.5.3.5 Recommend improvements to the University's operations, with an aim to enhance internal controls and mitigate risk.
- 2.2.5.4 **University Management Board**
There shall be established a University Management Board constituted as per the Universities Act, 2012. The role of the University Management Board includes:
- 2.2.5.4.1 To ensure efficient management of finances, among other resources.
- 2.2.5.4.2 To implement rules and regulations of the University, including but not limited to this Policy.
- 2.2.5.4.3 To co-ordinate day to day operations of the University.

2.3 Sources of University funds

The funds of the University shall be derived from the following sources:

- 2.3.1 The Exchequer (Government Grants).
- 2.3.2 Tuition fees from both Government Sponsored Students (GSSP) and Privately Sponsored Students Programs (PSSP).
- 2.3.3 Accommodation and catering fees.
- 2.3.4 Other administrative and direct charges as approved by Council from time to time.
- 2.3.5 Research grants from donors and other agencies.
- 2.3.6 Income from auxiliary enterprises and investments.
- 2.3.7 Endowments, gifts and trusts.
- 2.3.8 Grants and Donations.
- 2.3.9 Consultancy fees.
- 2.3.10 Loans from Financial Institutions.
- 2.3.11 Such other sources as the Council may from time to time identify and approve.

All funds received shall be deposited into the University's designated bank accounts.

2.4 Investment of University funds

- 2.4.1 The University may invest any of its funds in securities in which for the time being the Council may by law invest in trust funds, or in any other securities which the Treasury or any other authorized body may from time to time approve for that purpose.

2.4.2 The University may, subject to the approval of the Treasury, or any other authorized body, place on deposit with such bank or banks as Council may determine any monies not immediately required for the purposes of the University.

2.5. Financial Estimates/Annual budget

2.5.1 Before the commencement of a financial year, the Budget Committee of management shall prepare the draft recurrent and development estimates of the University for that year in consultation with the Vice-Chancellor and table them before Council for approval before 15th January each year. The approved Estimates shall then be submitted to the parent Ministry and the National Treasury not later than 31st January each year.

2.5.2 The Annual Estimates which shall be prepared on incremental basis shall make provisions for all the anticipated revenue and expenditure of the University for the ensuing financial year. In particular, it shall provide for:

2.5.2.1 The payment of salaries, allowances and other benefits in respect of all the employees of the University.

2.5.2.2 The payment of the pensions, gratuities and other charges in respect of retirement benefits which are payable to employees out of the University funds.

2.5.2.3 The funding of all administrative and support activities and services which are necessary to facilitate the University to achieve her mandate.

2.5.2.4 The funding of the cost of institutional scholarships, and services that are necessary to facilitate the University to achieve her mandate of teaching and research activities

2.5.2.5 The development of physical facilities and/or infrastructure

2.5.2.6 The proper maintenance of the buildings and grounds

2.5.2.7 The creation of such other reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance, or replacement of buildings or equipment or in respect of such other matters as the Council may deem fit.

2.5.3 The annual budget shall be approved by Council at least five months before the commencement of the fiscal year to which it relates

2.5.4 No expenditure shall be incurred for any other purposes except in accordance with sub-section (b) above, or in pursuance of the University vision and mission.

3 FINAL ACCOUNTS AND AUDIT

3.1 Responsibility and timelines

- a) The University Council shall cause to be kept proper books and records of accounts of the income and expenditure, assets and liabilities of the University
- b) The accounts of the University shall be audited annually by the Auditor –General
- c) Within a period of three months from the end of each financial year, the Vice-Chancellor shall submit to Council Draft accounts of the University for approval and submission for audit .

3.2 Standards

- a) The University financial statements will be prepared according to nationally and Internationally accepted standards and practices (IFRs).
- b) The University financial statements will support the principle of going concern at all times
- c) Policy and form of presentation of the financial statements will be kept consistent but disclosure will be made in case of need for change
- d) The University will follow historical cost convention

4 RECURRENT EXPENDITURE

4.1 General guidelines

- a) In all cases, recurrent expenditure must be spent within the budgetary ceilings as approved by Council from time to time.
- b) Under specific circumstances a proposal for virement of funds may be approved by the Vice-chancellor whose written consent shall be obtained, subject to ratification by Council.
- c) Increased expenditure arising in the following categories shall be deemed to require supplementary estimates.
 - i) Increases in salaries and wages arising from nationally negotiated CBAs and variations in contributions under the National Social Security Fund and Retirement Benefits Schemes.

- ii) Price increases in connection with continuing contracts for revenue service's where, in the opinion of the Finance Officer, such increases are necessary and reasonable.
 - iii) Interest rates or other similar financing factors.
- d) Nothing in these Regulations shall prevent the Vice-Chancellor or his/her authorized officer from incurring expenditure which is essential to meet immediate needs in an emergency, so long as a report is submitted to Council at the earliest opportunity for ratification.

4.2 Authorization levels for payments

a) The schedule for authorization of payments in respect to Recurrent Expenditure shall be as follows:

- i) Vice-Chancellor KShs.100,001 and above
- ii) Deputy Vice-Chancellor upto Kshs.100, 000
- iii) All payments in respect of Capital Expenditure shall be authorized by the Vice-Chancellor.

5 PROCUREMENT OF GOODS, WORKS AND SERVICES

- a. As a public entity, the University shall comply with the Public Procurement and Disposal Act 2005 and the Public Procurement and Disposal Regulations, 2006 in all processes related to procurement of goods, works and services.
- b. While undertaking procurement activities the University shall be guided by an annual procurement plan as approved by Council.
- c. AIE holders, when exercising their powers to incur expenditure for the supply of goods or services shall forward to the Vice-Chancellor their request in accordance with these Financial Regulations and shall ensure that there are adequate funds already approved, and that all necessary consents such as cash flow availability have been confirmed.

6 PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES

- a. The University shall maintain good relationships with her suppliers of goods and Services at all times.
- b. Payments for products or services received shall be made promptly, preferably within 30 days subject to:
 - i. The supplier meeting conditions of specifications and technical requirements.

ii. Credit arrangements agreed upon

b. All payments on behalf of the University shall be made by the Finance Officer with the exception of disbursements from petty cash floats. He/she shall make such payments on behalf of the University subject to the approval by the Vice-chancellor.

AIE holders shall be responsible for the examination, verification and certification of invoices and accounts certified for payment within the Schools and Departments. Items for payment shall be certified either by the Heads of Department or by an officer authorized by them.

The following information shall be recorded on each invoice in a manner approved by the Finance Officer.

- i. The order number
- ii. The expenditure code to be charged
- iii. The minute number and date of the Tender or Procurement Committee meeting which approved the project in case of contracts
- iv. A copy of a certificate issued by the Inspection and acceptance Committee.

e. The certifying officer shall be satisfied before recommending payment that:-

- i. The quantity and prices are correct.
- ii. Payment has not previously been made.
- iii. The goods or services have actually been received.
- iv. The account is arithmetically correct.
- v. All discounts, if any, have been deducted or taken into account.
- vi. The account is in accordance where necessary, with approval of the Tender Committee/Procurement Committee.
- vii. Funding approval has been obtained.
- viii. The person who receives the goods is not the same one who recommends/certifies the payment.
- ix. A certificate issued by the Acceptance and Inspection Committee is availed.

f. Where the certifying officer has queries regarding the pricing and/or quantity of the items he/she shall refer the matter to the department concerned promptly.

g. The spending department shall record on the copy of each order:

- i. The date of delivery of each item.
- ii. The date each invoice is passed for payment and the cost and the items to which it relates.

7 IMPRESTS

7.1 *Imprest Accounting*

- i. The Finance Officer in consultation with Vice-chancellor may make office imprest advances to specific offices for the payment of minor and/or basic items they may require for use from time to time.

- ii. Any officer to whom an office imprest advance has been made shall:
 - a) Obtain and retain vouchers in substantiation of each payment made.
 - b) Ensure the safe custody of imprest cash in his/her possession
 - c) Restrict the amount of each separate payment to such limit as may be approved in writing by Vice-Chancellor in relation to specific classes of expenditure from time to time.
 - d) Have due regard to Financial Regulations of the University in so far as they concern the authorization and limitation of expenditure.
 - e) Not exceed the estimated expenditure by 15% without prior approval from the Vice-Chancellor.

- iii. AIE holders, after approving imprests and other claims relating to payments to be charged from votes under their control, shall submit them directly to the Vice-Chancellor for payment approval.

7.2 *Processing of imprests*

The procedure for processing imprests shall be as follows:

- i. Completion and signing of the imprest requisition form by the member of staff, requests imprests shall be made at least 7 days in advance, specifying details for which the money is required
- ii. Authorization by the AIE holder concerned.
- iii. Confirmation by the Expenditure Section that the applicant has no outstanding imprest.

- iv. Confirmation by the Vote Book Section that there are sufficient funds available on the respective vote.

- v. Approval by the Vice-Chancellor following a verification/ certification by the Examination Section and a recommendation by the Finance Officer.

- vi. Payment may be made either in cash or by cheque dependent on the amount involved. This process is expected to take at least five working days.

No further imprest shall be granted before the previous one has been accounted for:

- a) except in exceptional circumstances as may be considered and approval by the Vice-Chancellor upon recommendation by the Finance Officer.
- b) The University shall have the right to recover outstanding imprest through the payroll
- c) Payment of imprests in cash shall not exceed KShs.5,000.00
- c) All imprests shall be surrendered within 48 hours after completion of the planned trip/activity.
- d) All imprest requests for research related activities shall be approved by the Vice-Chancellor only upon submission of clearly defined work plans with financial requirements for the activities to be undertaken for a particular period to be covered and a copy of the approved budget by the donor.
- e) A petty cash float with a set limit shall be maintained under the imprest system to cater for minor office expenses not exceeding Kshs 5,000. The maximum limit of the float may be reviewed with the authority of the Vice-Chancellor.
- f) Cash held in the University premises shall be stored overnight in a safe under dual custody

8 ESTABLISHMENT OF RECORDS AND PAYMENT OF STAFF EMOLUMENTS

8.1 Records

- i. Staff payroll will be prepared monthly and in compliance with relevant legislation as per the Kenyan laws
- ii. Additions or removals of staff from the payroll shall be made upon approval by the Vice –Chancellor.
- iii. Under the direction of the Vice-Chancellor, the Finance Officer shall maintain all necessary personnel records concerning pay, pension contributions, National Hospital Insurance Fund and taxation, and make all relevant payments on behalf of both employees and the University to the relevant agencies.
- iv. The Registrar (Administration) shall provide to the Finance Officer such information as he may consider necessary for the exercise of his functions under this clause.
- v. All changes to employees' earnings shall only be made with the written authority of the Vice-Chancellor.

8.2 Payments

- i. Under the direction of the Council, the Vice-Chancellor shall authorize the implementation of any newly approved salary scales, wages and other allowances payable to staff.

- ii. The Finance Officer shall be responsible for the payment of all salaries, wages, gratuities, compensation and emoluments to employees under the direction of the Vice-Chancellor. Any other deductions on behalf of employees to third parties may be made upon written application by the said employee, the University reserves the right to reject the implementation of such deductions whenever it deems it fit to do so

9 CAPITAL EXPENDITURE

- a. For co-ordination purposes, before authorizing or recommending any proposal involving capital expenditure, irrespective of the manner in which such expenditure may be met, the Vice-Chancellor shall consider a report by the Finance Officer on the financial implications of the proposal. The report shall also indicate the amount, if any, included in the approved budget in respect of the scheme.
- b. The inclusion of capital expenditure within a budget shall not be regarded as the final authorization for any scheme to proceed, unless specifically authorized by the Vice-chancellor after approval by Council and that actual funds have been set aside/confirmed as being available.
- c. Where the total cost of a project within the approved capital budget appears likely to exceed the budget provision by 15%, the Vice-chancellor shall submit a report to the Council. The Council shall have power to act in recommending for supplementary estimates. Budgetary provisions would normally include anticipated fluctuations covered by the terms of contracts. The same will be communicated to Council for approval.
- d. Where a proposed capital project which is not included in the approved program of capital expenditure is subsequently approved by Council, this shall constitute an amendment to the capital program/budget.
- e. In respect of capital projects, the cost thereof, together with the authorized provisions, shall be reported to the relevant committee on completion, and the report shall contain a statement of any additional funding requirements for submission to the Finance and General Purposes Committee and Council for approval.
- f. The Vice-Chancellor shall submit progress reports on the capital budget to the Council on a quarterly basis or at such other period as may be required.

10 FINANCIAL APPRAISAL

- a. Proposals for new developments in services or for changes in existing services, being reported to a Committee for approval, shall have the Vice-Chancellor's report on the financial implications

- b. The Vice-Chancellor, shall submit reports, monitoring the recurrent and capital development expenditure budgets to Council through the Finance and General Purpose Committee on a quarterly basis within the financial year.

11 CONTROL OF EXPENDITURE

- a. AIE holders shall be responsible for maintaining strict control and supervision of the expenditure of their units and for reporting to the University Management Board on any contemplated expenditure where no funds have been provided or which if incurred, would exceed the amount allocated in the estimates.
- b. The Finance Officer shall provide quarterly statements to the AIE holders on the actual expenditure against the approved budgetary allocations with the variances in relation thereto.

12 CONTROL, COLLECTION AND RECOVERY OF INCOME

12.1 *Control of Income*

- i. Any proposal which seeks to vary an existing source of revenue, or to establish a new source of revenue, shall only be adopted with prior approval of the Council.
- ii. Prior to granting such approval, the Council shall consider a report from the Vice-chancellor concerning the financial implications of the proposal.

12.2 *Collection and Recovery of Income*

- i. The recording and calculation of all monies due to the University shall be under the general supervision of the Finance Officer.
- ii. All monies due to the University shall be deposited in a designated bank account and deposit slips surrendered to the Finance Department for receipting upon authentication. University employee who is authorized to receive such monies shall maintain a record in a form approved by the Finance Officer, of all amounts received and deposited with the Finance Department, or the University's bankers.
- iii. No deductions shall be permitted from cash collections without prior recommendation of the Finance Officer in consultation with Vice-chancellor. University officers receiving monies on behalf of the institution are personally responsible for the safe keeping of such monies and should deposit such monies with the Finance Department within 12 hours after receipt.
- iv. All monies received on behalf of the University shall normally be banked within a period of at least 12 hours.

12.3 Recovery of Debts

- i. The Vice-Chancellor shall cause debts due to the University to be recovered.
 - ii. In connection with the recovery of arrears of the student fees and charges, the University Management Board shall be authorized to initiate such action as may be necessary to recover the debts in accordance with the provisions of the approved fees policy.
 - iii. In those other circumstances arising from pursuance of paragraph (ii) above, where legal action is necessary and desirable in the interest of the University, the matter shall be referred to the Vice-Chancellor who shall authorize the initiation of such proceedings.
 - iv. Under the direction of the Vice-Chancellor or his delegated officer, the Finance Officer shall be responsible for designing, ordering and controlling all receipt forms and tickets which are used to acknowledge sums paid to the University.
 - v. Any debts outstanding for more than six months shall be classified as doubtful, requiring legal debt recovery measures to be enforced.
- c. Receivables may be classified as bad debts when:

- i. All reasonable efforts to collect the amount owed have been exhausted.
- ii. The cost of pursuing further action in an attempt to collect the debt exceeds the debt itself.

The above notwithstanding, no debt shall be written off without prior approval of the University Council.

13 BANKING

13.1 *Banking Arrangements*

- a. Bank accounts shall be opened on approval by the University Council, the parent Ministry and National. The Council shall designate the relevant signatories.
- b. Changes to bank signatories and signing mandate shall only be made upon approval by the University Council.
- c. All arrangements with University bankers' concerning bank accounts and related transactions shall be made by the Vice-Chancellor and the Finance Officer on behalf of the University.
- d. An overdraft facility on the main bank account shall only be approved by the Council and subject to the concurrence of the parent Ministry and the National Treasury.

- e. Cheques shall only be ordered by the Finance Officer, in consultation with the Vice-Chancellor. The Finance Officer shall then make adequate arrangements for their safe custody both in the bank and in the office.
- f. Cheques in current use should be entered in the cheques register being maintained by the Finance department.
- g. Subject to approval by Council, the Vice-Chancellor, may nominate in writing other officers to sign cheques in their own name and every cheque drawn on a bank account of the University shall bear an authorization signature.
- h. There shall be two signatories for every cheque, one of whom shall be from the Finance Department (Category B) and the other from the Administration department (Category A). For the time being the signatories are categorized as follows:-

CATEGORY A

- 1. Vice-Chancellor
- 2. Deputy Vice-Chancellor (A&F)

CATEGORY B

- 1. Finance Officer
- 2. Deputy Finance Officer

The Vice-Chancellor shall designate bank accounts for specific purposes including:

- i. Operations account for day to day operations.
- ii. Strategic Reserve Account for emergency situations.
- iii. Capital Account for infrastructural development.
- iv. Endowment Account for grants.
- v. Research Account for research work

13.2 Bank Reconciliations

- a) As part of internal control and monitoring system of cash movements the Vice-Chancellor and the Finance Officer shall have access to all bank accounts through e-banking services with all banks with such facilities.
- b) The Finance Officer shall also be required to prepare a cash flow report on daily basis and submit to the Vice-Chancellor by 10.00 am of the following day.
- c) Bank reconciliation statements shall be prepared on all bank accounts on monthly basis and submitted to the Vice-Chancellor by the 10th day of the following month.

14 ACCOUNTABLE DOCUMENTS

14.1 Custody

- i. All accountable documents shall be entered in an Accountable Documents Register and be kept in the custody of a designated officer in the Finance department. Loss of serialized accounting documents shall be reported promptly to the Vice-Chancellor.
- ii. No copies of accounting documents and records shall be made or given to University employees or third parties without the authority of the Finance Officer
- iii. Electronic devices in use by the University to process accounting information shall be restricted to the use of the assigned employees
- iv. Accounting documents shall be stored in accordance with the relevant guidelines and treated with confidentiality

15 ACCOUNTING ARRANGEMENTS

15.1 Stock and Stores (*including consumables*)

- i. There shall be a Central University Store within the Procurement department from where all departments shall order the items/consumables they need.
- ii. All AIE holders shall ensure stocks and stores shall not be in excess of the reasonable requirements of their units..
- iii. AIE holders shall be responsible for the care and custody of stores, equipment and materials maintained by their units..
- iv. Records of physical stores, stores used and balance in hand shall be maintained by AIA holders in their respective units in a form to be approved by the Finance Officer.
- v. The Finance Officer shall determine general principles governing the accounting for, and the issue prices of materials and consumables drawn from such stores.
- vi. The Internal Auditor shall be entitled to inspect and check, at any reasonable time, stocks and stores of consumables and materials in any unit of the University and call for such explanations and information as he/she deems necessary for the purposes of costing, accounting or security.

- vii. AIA holders shall maintain continuous stock-taking and shall deliver to the Finance Officer a certified account of stores at hand as at 30th June of each year, this date being the closure of the financial year.
- viii. If, as a result of stocktaking, a deficiency or surplus is revealed, the Finance Officer in consultation with the Vice-Chancellor shall recommend appropriate corrective measures.
- ix. Obsolete/unserviceable stores or assets shall not be disposed off without the approval of the Council which shall consider a report from the Vice-Chancellor before giving such approval.

15.2 Fixed Assets

- i. As a policy, the University shall acquire assets only for purposes of achieving its aims and objectives.
- ii. The acquisition of assets shall be as a result of deliberate consideration of a request made through the planning process
- iii. A register shall be maintained for all assets in identifiable form for each item and giving its cost, revaluations if done and location. Depending on the type of asset, details of any reconditioning, improvement or bonding shall also be recorded
- iv. All assets, on acquisition shall be recorded in the fixed assets register where the physical details shall be kept including physical location. Such assets shall also be given an identity number.
- v. The location and custody of any asset, however big or small, temporary or permanent must be clearly determinable from the assets register and from the head of department or section under which the asset is charged
- vi. Except for land, the estimated useful life of an asset must be determined and its depreciation (or amortization) based on it. Depreciation method applicable shall be on a straight line basis.
- vii. The following depreciation rates shall be applicable
 - Freehold land no charge
 - Leasehold land cost written off over lease period
 - Buildings 2% p.a
 - Motor vehicles 20% p.a
 - Furniture & fittings 20% p.a on residual value
 - Library books 10% p.a on residual value
 - General equipment 20% p.a on residual value
 - Loose tools 25% p.a on residual value
 - Patents no charge

15.3 *Biological Assets*

- i. The University as an entity shall recognize biological assets or agricultural produce only where it has control as a result of past events and in particular situations where future economic benefits will flow to it and the fair value or cost of the asset can be measured reliably.
- ii. Biological assets shall also be measured on initial recognition and at subsequent reporting dates at fair value less estimated costs to sell at the point of harvest.
- iii. In general, the treatment of biological assets in the financial statements of the University shall be guided by the provisions of International Accounting Standard No. 41.

16 DISPOSAL OF UNIVERSITY ASSETS

16.1 *Disposal Committee*

The University shall observe all the requirements as provided under the Public Procurement and Disposal Act, 2005 and the Public Procurement and Disposal Regulations, 2006 in the disposal of any moveable assets.

17 INSURANCE

17.1 *Responsibility for Insurance Covers*

- i. Under the direction of the Vice-chancellor, the Finance officer is responsible for effecting all Insurance covers on behalf of the University and for negotiating claims, and where necessary, in consultation with other officers of the University.
- ii. In compliance with these Financial Regulations, the Finance Officer shall effect payment of the premiums by the due dates, maintain adequate records of insurance transactions and hold in safe custody all insurance policies of the University.
- iii. Under the direction of the Vice-chancellor, the Finance Officer shall, in consultation with other officers undertake a regular review of the University's insurance portfolio.
- iv. Any officer of the University who is authorized to make use of his own vehicle in the execution of official business shall be responsible for effecting adequate insurance cover for such use and shall produce to the Finance Officer, on request, evidence of the adequacy of such insurance. The Finance Officer may provide available information of insurance cover on individual basis in confidence.

- v. The University shall undertake insurance cover for all Council members and staff not covered by the Workmen's compensation Act in respect of injuries that may occur in the course of their official business and in performing their official duties.

17.2 *Notification of changes*

AI holders shall give prompt notification to the Finance Officer of the extent and nature of all new risks arising from the operations of their units including additional property acquisition and/or any alteration in the duties and functions of their departments which add to or abate insurable risks.

18 INTERNAL AUDIT

- a) There shall be an Internal Auditor, under the direction of the Vice-Chancellor, whose role shall be to maintain continuous examination and audit of accounts, financial records and transactions, stores and inventories.
- b) The Finance Officer and any other officer or employee of the University shall avail to the Internal Auditor(s) all the records and documents that they may require from time to time in the course of discharging their duties.
- c) The Internal Auditor shall have authority to inspect any section, department or school established by the University and has access to such reports and documents as he/she may require. The Internal Auditor may require the production of cash, stores and other property and shall be entitled to receive such explanations as he/she considers necessary and proper so as to be able to make an informed report to the Audit Committee.
- d) Notwithstanding the provisions of this clause, the Internal Audit division shall observe best practices and International Auditing Standards in the discharge of their mandate as provided under their charter.

19 IRREGULARITIES

- a. Where the Council, or the Vice-Chancellor is satisfied that an irregularity has occurred in handling of University finances, stores or other property, the Vice-Chancellor shall cause investigations to be carried out to ascertain the nature and extent of the irregularity or fraud.

Council on the advice of the Vice-chancellor shall have the discretion to determine the manner in which the result of such investigations shall be disposed off.

20 REVIEW

This policy is subject to amendments by the Council from time to time as need arises. Such amendments shall be recommended by the Vice-Chancellor to the Council.

21 EFFECTIVE DATE

This Policy shall be effective on the date it is approved by Council.