



**THE MOVEMENT FOR  
COMMUNITY-LED  
DEVELOPMENT  
UGANDA CHAPTER**

# **FINANCIAL MANAGEMENT POLICY AND PROCEDURES MANUAL**

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THE MOVEMENT FOR COMMUNITY-LED DEVELOPMENT UGANDA  
CHAPTER

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## **Section One**

### **1.1 Overview of the Movement for Community-Led Development Uganda Finance Management Policy and Procedures Manual**

As a non-profit organization, the Movement relies on funding from various sources to support its programs and initiatives. Effective financial management is crucial for MCLD to achieve its goals and sustain its operations. This policy and procedures manual is designed to provide guidance on the financial management practices and procedures that the Movement should follow to ensure accountability, transparency, and financial stability.

Financial Management Goals and Objectives are as follows:

- To ensure that all financial transactions are recorded accurately and timely in the accounting system.
- To ensure that all financial transactions are properly authorized and approved.
- To ensure that all funds are used for their intended purpose and in accordance with donor requirements.
- To ensure that all financial statements are prepared accurately and timely and provide a true and fair view of the financial position of MCLD.
- To ensure that all financial reports are submitted to donors, stakeholders, and regulatory bodies as required.
- To ensure that all financial policies and procedures are in compliance with applicable laws and regulations.

### **1.2 Key Principles of the Finance Management Policy and Procedures Manual.**

1. **Consistency:** The financial policy should prohibit manipulation of processes and systems. All the staff members should consistently adhere to the financial policy and there should not offer much flexibility.
2. **Accountability:** The financial systems should be such that it makes the organization more accountable to its stakeholders.
3. **Transparency:** An organization should disclose all its operations and provide necessary information to stakeholders.
4. **Viability:** The policy should set in place a mechanism that would maintain a balance between its expenditure and income. For any organization to be viable it is important to generate sufficient funds to continue the functioning of the NGO.
5. **Integrity:** All team members should follow all rules the financial policy sets.
6. **Oversight:** The policy should also provide oversight into the future and should accordingly suggest measures to cope with future challenges. This would include risk assessment; strategic planning etc.
7. **Accounting standards:** The policy should be such that it incorporates valid national standards and protocols. The accounting systems should meet national and international standards of financial accounting and recordkeeping this would facilitate easy transactions between diverse funding strategies.

## **Section Two Internal Controls**

### **2.1 Roles and Responsibilities**

2.1.1 There will be a clear separation of responsibilities across all financial transaction processes of MCLD.

<b>Structure</b>	<b>Roles &amp; Responsibilities</b>
Annual General Meeting (AGM)	Approves the strategic plan budget, annual financial reports, work plan, and audit report, approve member contributions, and approve auditors.
Board of Directors	Approve annual budget, budget oversight, reviews work plans, and budgets performance, signatories to the organization bank accounts, approves staff salary structure, Review and recommend auditors, approve procurements or payments based on provided limits, reviews policies, oversights in fundraising for the organization, presents the financial reports to AGM.
Secretariat	Identifies Auditors, draft annual budgets, leads procurement processes, prepare financial reports and funds advances, draft and propose changes to the finance policy, proposes staff salary structure, and takes the lead in fundraising.

2.1.2 Country Coordinator shall define and allocate responsibilities and identify lines of reporting for all aspects of the secretariat operations which is to be approved by the Board of Directors.

### **2.2 Controlled Environment**

2.2.1 Management shall establish claims that represent internal controls in all financial transactions.

2.2.1.1 Only valued or authorized transactions are processed.

2.2.1.2 Only complete financial transactions are processed with all relevant support documents for instance a concept note, requisition form, relevant invoices, and minutes as relevant to the particular transaction.

2.2.1.3 Transactions are valued accurately using proper methodologies

2.2.1.4 All accounts and disclosures are properly described.

**2.3 Segregation of Duties:** Management shall ensure that no individual carries on responsibilities and duties involving a whole chain of activities to their completion. This function shall see the separation of duties involving approval, checking, implementation, custody, and recording to prevent fraud or error by one person as guided in the table below.

<b>Role</b>	<b>Responsible Person</b>
Preparation of requests	Project Officer User Person or Budget holder
Checking of requests	Finance/Administration Officer or Designate
Approval of requests	Country Coordinator
Disbursement of funds	Account Assistant or Designate
Preparation of accountabilities	Project Officer or User Person

Review of accountabilities	Finance/Administration Officer or Designate
Approval of accountabilities	Country Coordinator

- 2.4 **Retention of financial records:** MCLD shall maintain documentation of substantive transactions for a period of not less than 5 years or guided by the donor requirements.
- 2.5 **Supervision or monitoring of secretariat financial operations:** observation and review of ongoing operations are done quarterly or at any time in case of any need through the Board of Directors.
- 2.6 **Physical safeguards:** There shall be the usage of locks, and physical barriers to protect inventory and files. There is also restricted and controlled access to organizations’ assets. All transactions shall require authorization by appropriate responsible persons.
- 2.7 **Physical safeguards:** There shall be the usage of locks, and physical barriers to protect inventory and files. There is also restricted and controlled access to organizations’ assets. All transactions shall require authorization by appropriate responsible persons.
- 2.8 **IT general controls:** Controls to security, access systems, and data are restricted to authorized personnel such as usage of passwords and review of access logs.

### **Section Three Primary Records & Books**

These shall include the relevant source documents and all books of prime entry (journals and ledgers) upon which records shall be maintained and hence financial statements extracted.

- 3.1 MCLD shall always maintain a cash book for each bank account or a particular project in a situation when the same account is used by different projects. It shall maintain petty cash books; operate relevant journals and General Ledger.
- 3.2 The source documents shall include physical documents, which result in the disbursement of receipts. They shall include the original evidence of transactions such as invoices from suppliers of goods and services, banking slips, payment vouchers, fee notes, cheques counter foil, copies of receipt vouchers, claims, request notes, and agreements/contracts amongst others. These documents shall be the starting point for the flow of accounting information and shall form the basis.

### **Section Four Income & Receipts**

4.1 The Income streams of the organization shall include: -

<b>Income Streams shall include</b>	
Member subscriptions and contributions	Sale of merchandise such as t-shirts
Exchange rate gains,	In-kind Contributions.
Grants from donors	Investments
Consultancy or training fees	Bank interest, Gifts,

4.2 All funds (cash/cheque) received shall be receipted by the Finance Person at the office.

## **Section Five**

### **Banking**

- 5.1** MCLD shall operate an appropriate number of bank accounts both in Local and foreign currency in selected banks to cope with the requirement of the different operational needs. When a need arises to open up a bank account, the Country Coordinator through a Board of Director's resolution shall get the necessary documentation from the selected bank and have them appropriately filled.
- 5.2** All funds (cash/cheques) shall be banked within 36 hours as they are received.
- 5.3** Bank reconciliation shall always be done at the end of every month to ensure that all records related are reconciled.
- 5.4** Signatories to bank accounts shall be subject to the organization's memorandum and articles of association, or as resolved and registered with URSB by the Board of Director any two of the following: the Chairperson, Treasurer, Finance/Administration Officer, and Country Coordinator with the Country Coordinator as a Principal signatory to all organization bank accounts.
- 5.5** All bank transactions/payments above 10,000,000/= are to be approved and signed through the Treasurer, Board of Directors.
- 5.6** A signatory to any MCLD account ceases to be a signatory when one of the following events takes place:
- 5.6.1** Ceases to be an employee or Board of Directors or his/her organization stops being a member of MCLD for any reason;
  - 5.6.2** Is convicted of a criminal offense such as but not limited to fraud, money laundering etc
  - 5.6.3** The signatory becomes of unsound mind or is declared bankrupt;
  - 5.6.4** Becomes incapacitated through illness.
- 5.7** A bank account shall be closed when any of the following events take place:
- 5.7.1** The activity for which the bank account was set up ceases / objectives accomplished;
  - 5.7.2** The donors of funds banked in the bank account decide to stop funding permanently;
  - 5.7.3** The bank in which the account is maintained ceases to be steady/reliable;
  - 5.7.4** The **Board of Directors** decides to close an account for any other reason.
- 5.8** The **Country Coordinator through a Board resolution** shall designate a finance staff e.g., Accounts assistant or Administrator introduced to the bank as a banking agent; to collect banking instruments to and from the banks, including cheques books, bank statements, bank Confirmations, bank instructions, cash withdrawals, etc.
- 5.9** All cheques books including those in use shall be kept by the Finance in a safe, under lock and key at any one time. The designated officer shall regularly collect instruments from the bank. Any questionable information on the bank instrument shall be immediately brought to the attention of the Country Coordinator and bank manager by the **Finance Person**
- 5.10** MCLD will accept online banking platforms following a BoD resolution for any of the banks with which the organization has an active account.

## **Section Six Expenditure**

- 6.1 Expenditure of funds shall be in accordance with the organization's approved workplan, budget approvals, and any other conditions as may be outlined in the relevant agreements.
- 6.2 All payments shall have supporting documents before they are presented for processing. Support documents for activity advance payments will include an approved concept note with activity details; payment for service providers will include an invoice or agreement or proof of completion of work.
- 6.3 All payments by the organization shall be prepared by the Account Assistant or designate.
- 6.4 All payments shall be checked by the Finance/Administration Officer or designate, and approved by the Country Coordinator.

### **6.5 Requisitions for Payments**

- 6.5.1 All requisitions shall be originated by the Project Officer or User with the relevant supporting documents and submitted to the Finance/Administration Officer or designate for checking and processing before being approved by the Country Coordinator.
- 6.5.2 The Finance/Administration Officer or designate will ensure that all received requisitions are within the available budgets before presenting them to the Country Coordinator for approval.
- 6.5.3 Once the approval has been provided by the Country Coordinator, the Finance/Administration Officer or designate or the respective payment vouchers for the approved requisitions are prepared and presented to the signatories for signing and funds withdrawal.
- 6.5.4 Requisitions will only be accepted twice in the month i.e. within the 1st week and 3rd week of the month.
- 6.5.5 No requisition for a particular project will be approved in case of any pending advance accountability.
- 6.5.6 Online approvals of payment requests shall be acceptable and considered official approval from the responsible person.

### **6.6 Petty cash**

- 6.6.1 Petty cash limit shall be 1,000,000/- per month subject to changes from Board of Director as needs arises with the revised amount based on a recommendation from the Country Coordinator.
- 6.6.2 Any expenditure request of above 100,000/= at ago shall not be considered under petty cash.
- 6.6.3 Prior to approving petty cash advances, satisfactory accountability should have been made for the previous advances.
- 6.6.4 All petty cash payments shall be made against approved requisitions or claims. For approved requisitions for which no receipts are required, a payment voucher shall be prepared and acknowledgment of receipt obtained.
- 6.6.5 For approved requisitions for which receipts are required, such receipts shall be attached to the cash requisition and a payment voucher shall be prepared accordingly.
- 6.6.6 Before petty cash is replenished at the end of the month, a petty cash accountability statement indicating cash advanced and how it was utilized shall be prepared, checked, and finally approved by the Country Coordinator with reimbursement based on actual spending. (see Appendix 11)
- 6.6.7 Abrupt cash counts shall be conducted at least but not limited to every quarter for all projects/programs for which cash is maintained. The physical cash shall be counted by



the Finance/Administration Officer or designate in the presence of the Country Coordinator who certifies the cash count certificate. (see Appendix 6)

### **6.7 Activity implementation Advances**

- 6.7.1 Program/Project activity implemented by the MCLD Secretariat -related advances are made to the Project Officer or designate and these have sole responsibility for accounting for those advances within a period of 5 working days after the implementation of activities for which the advances were made.
- 6.7.2 Accountability for activity funds advance shall be presented using the Advance Accountability Form (see Appendix 10) together with an activity report, attendance registers, and all relevant source documents such as receipts, acknowledgments, etc.
- 6.7.3 Failure to account for the funds advanced within the stipulated period without a written explanation to that effect will necessitate members of staff recovery from their salaries. For people, other than members of staff, the Country Coordinator shall make a recommendation on the action to be taken against such people.

### **6.8 Activity Funds Advances to Sub- grantees**

- 6.8.1 Activity funds will only be advanced to MCLD members who fulfill all the membership requirements.
- 6.8.2 Any funds advances to an implementing partner are to be requested by the Country Coordinator and approved by the Board of Directors through a sub-grantee agreement
- 6.8.3 Project funds advances to sub-grantee are to be accounted for on a monthly basis within 5 days from the end of the month or as guided by the specific donor requirements.

### **6.9 Advance payment procedures:**

- 6.9.1 A Requisition Form (RF) shall be filled by the Project Officer or User requesting for field/activity implementation advance and submitted to their supervisors supported by a work plan, a budget, and any other relevant supporting document.
- 6.9.2 The RF with its supporting documents shall then be forwarded to the Finance/Administration Officer or designate to check for the accuracy, validity, and completeness of the attached documentation as well as value for money.
- 6.9.3 The checked RF together with its supporting documents shall then be forwarded to the Country Coordinator for approval.
- 6.9.4 A payment voucher shall be prepared for each of the cheques or bank withdrawals issued or initiated. The Accounts Assistant shall prepare the payment vouchers that will be checked by the Finance/Administration Officer or designate and then approved by the Country Coordinator for payment to the Project Officer or User.
- 6.9.5 The approved Payment Voucher together with its supporting document shall then be used to initiate the cheques or online bank transfer/withdrawal approval that will be presented to the Country Coordinator and other signatories for signing after preparing their respective payment vouchers.
- 6.9.6 In case of a payment by cheque the payee indicated on the cheque shall be given a duly signed cheque and shall sign for it on either a payment voucher or cheque payments Register.

### **6.10 Accountability for Field activity implementation Advances**

- 6.10.1 As soon as the activity has been completed, the staff who was advanced the cash shall submit full accountability to show how it was used within 5 working days.
- 6.10.2 He/she shall fill out the Advance accountability form to show how it was used indicating a breakdown of expenditure. Unspent cash balance shall be declared and paid to accounts within 5 working days after completion of the activity which shall

- issue a receipt. The returned balances shall be banked promptly and a copy of the bank pay-in slip attached to the advance accountability form
- 6.10.3 There are three scenarios concerning these advances. All the three-pose inherent challenges of reconciling activities performed with the funds expended to finance them.
- 6.10.4 The finance office shall ensure that the accountability presented reconciles with the accountability in substance. The three scenarios are;
- 6.10.4.1 Scenario 1. There is under expenditure implying that the staff spent less than what he/she was given to spend, therefore the staff shall be required to refund the balance to the office.
- 6.10.4.2 Scenario 2. There is over expenditure implying that the staff spent more than what he/she was given to spend. Therefore, the staff will be refunded the amount of money/he or she overspent. However unauthorized over-expenditure shall not be allowed unless prior written (email or memo) approval was sought through the Country Coordinator.
- 6.10.4.3 Scenario 3: The staff spends all the money and there is no balance to return to the office.
- 6.10.5 Advances for fieldwork/activity implementation and cash advances for purchases shall be treated as advances to the staff that is paid until they fully account for them.
- 6.10.6 Accountability shall be supported by the following: A brief report on the activity performed and all supporting documents (receipts, attendance registers, pictures of the activity, delivery forms, and payment forms) showing expenditures incurred. The documents shall be thoroughly checked by the Finance Person to confirm their validity, accuracy, completeness, and value for money.
- 6.10.7 If accountability submitted doesn't confirm the validity, accuracy, completeness, and value for money standards they will be returned to the staff in charge for correction or even refund of the funds if necessary.
- 6.11 Staff advances**
- 6.11.1 Subject to the Human Resource Management Policy, staff may apply for and receive advances recoverable from their monthly salary. Such recoveries shall be indicated in the payroll records

## **Section Seven**

### **Personnel Emoluments, Allowances, and Statutory Compliance**

#### **7 Staff Salaries and Emoluments.**

- 7.1.1 The Country Coordinator will present a salary scale that is competitive but also within the available resources for Board approval.
- 7.1.2 Where payment of staff emoluments is pegged on the number of hours worked or contributions from different projects a time sheet shall be filled out (see Appendix 22).
- 7.1.3 All salary payments shall be made before the end of the month by the 27th day of the month.
- 7.1.4 The Human Resource Person or designate shall prepare monthly payroll statements and forward them for checking by the Finance/Administration Officer or designate and approval by the Country Coordinator (see Appendix 5)

#### **7.2 Board member's emoluments**

- 7.2.1 The Board shall be a voluntary Board

- 7.2.2 The AGM shall approve board allowances based on the market rates and availability of funds.
- 7.2.3 The Board member's sitting allowance will be 200,000/= per day per member dependent on the availability of funds.

### **7.3 Per diem, Allowances, and Benefits**

- 7.3.1 Payment of personnel emoluments to staff e.g., airtime, transport/fuel, medical allowances etc.) Shall be provided for in line with the laid down personnel policies and procedures which may as well be highlighted in staff employment contracts.
- 7.3.2 Per diem allowance shall be 150,000/= per day for in-country field trips.
- 7.3.3 Per diem allowance shall be 200\$ per day for out-of-country field trips.
- 7.3.4 Per diem shall cover costs of accommodation and meals per night spent when undertaking MCLD activities out of the staff's duty station.
- 7.3.5 Out-of-pocket allowance shall be \$50 dollars per day for out-of-country field trips.
- 7.3.6 Safari Day Allowance of 20,000/= per day engaged.

### **7.4 Compliance with Statutory and other requirements**

- 7.4.1 Pay As You Earn (PAYE) shall be deducted from the employee's salaries (full-time) which is paid over to Uganda Revenue Authority on the due dates.
- 7.4.2 National Social Security Fund (NSSF) shall be paid over on or before the due dates. NSSF amounts to 15% of each employee's monthly gross pay with the employer paying 10% and the employee 5%.
- 7.4.3 Withholding Tax (WHT) of 6% for part-time staff, consultants, auditors, and resource persons will be deducted and paid to Uganda Revenue at each payment for services carried out on behalf of the Movement.
- 7.4.4 Local Service Tax shall be paid to the local Authority for the area in which the employer is a resident. This is paid once every year.
- 7.4.5 Annual Income Tax shall be filed with URA in line with the organisation's financial year.
- 7.4.6 MCLD shall be compliant with other compliance and statutory requirements as guided by the acts of parliament of Uganda.

## **Section Eight Travel expenses**

### **8 Travel Expenses**

- 8.1 MCLD staff, board and other representatives usually have field-based responsibilities and are required to regularly travel in the course of their work. All field trips should, to the extent possible, be planned for and approved by the respective supervisors. All staff intending to travel shall be expected to have full authorization from their supervisors.
- 8.2 Where international travel is involved a qualified travel agent shall be identified following the same procurement procedures. The Finance/Administrative Officer or designate shall coordinate travel plans, such as airfare, vehicle rental, and tours with these pre-qualified agents.
- 8.3 All travel-related expenses must be accompanied by supporting documents such as the activity concept note before they are approved.
- 8.4 Travel-related allowances and daily subsistence allowances shall be provided for as approved by the Human Resource policy and this shall be dependent on the availability of funds. Occasionally a staff, in the course of performing their project duties on a field trip may incur other expenses not covered by per diem, such as for work-related telephone calls, meetings expenses, transport, etc. such expenses may be reimbursed after being

scrutinized and approved by the staff supervisor. All these expenses must be supported by receipts.

- 8.5 Travel related per diem shall be paid out based on approved rates as per the MCLD Human Resource Manual.
- 8.6 Per Diem is paid to all staff on official travel status as a means of providing reasonable coverage for their lodging, meals, and incidental expenses for the duration of their stay in areas outside of the regular workplace, office, or home. Per Diem does not compensate for additional hours worked nor should it be considered as part of the employee's income.
- 8.7 Where applicable, the Finance/Administrative Assistant in consultation with field staff shall determine travel expense rates based on the public transport rates which will be presented by the Country Coordinator.
- 8.8 In case of fuel usage, the mileage rate shall be 7km per litre and 5km in town settings.

## **9 Procurement of Goods and Services**

- 9.1 All purchases for goods and services of MCLD shall be procured in line with the organisation's procurement and disposal policy.

### **9.2 Inventory control**

- 9.2.1 The Accounts/Administrative Assistant or designate is responsible for maintaining the inventory tracker for the purpose of monitoring all office equipment and material.
- 9.2.2 For equipment/material assigned to specific staff, a delivery form shall be signed for the items received.
- 9.2.3 For items not assigned to any particular employee (e.g. office equipment, etc.) principal custody of such items will rest with the designated Office Manager.
- 9.2.4 Organization equipment will not be used for personal use.
- 9.2.5 A master inventory list must be maintained and kept in the project files. This list must also list dates of disposal or return. The Accounts/Administrative Assistant shall oversee this.
- 9.2.6 If any equipment or non-expendable supplies become missing, stolen, or damaged, the assigned staff shall notify in writing to the Accounts/Administrative Assistant or designate immediately. It is the responsibility of the Accounts/Administrative Assistant to notify the Country Coordinator or Designate of the reported loss or damage. No equipment or non-expendable supplies should be discarded by anyone except the Accounts/Administrative Assistant with approval from the Country Coordinator.
- 9.2.7 Project equipment is for the purpose of implementing the project. It is not available for use by clients or for personal use.

### **9.3 Stores Ledger**

- 9.3.1 The Finance/Administrative Officer or designate shall oversee all store management activities and record keeping. (See Appendix 15). All store records shall be kept up to date on the first in first out basis.

### **9.4 Insurance cover for the assets**

- 9.5 The Country Coordinator shall recommend to the Board finance committee the nature of insurance coverage required for the organization's assets and staff dependent on the availability of resources. All assets shall have a comprehensive/ All risks insurance cover by a reputable insurance company the selection of which shall be taken through the procurement process as stated in 4 above.
- 9.6 Other recommended policies may include workman's compensation, and Staff Medical Insurance, and at-the-office as guided by the MCLD Human Resource Policy.

### **9.7 Asset Register and Management**

- 9.8 The Finance/Administrative Officer or designate shall maintain an up-to-date Assets Register for all assets owned by the Organization, stating their physical location, dates of purchase, serial numbers, and cost. (See Appendix 12)
- 9.9 All assets of MCLD will be engraved with a code that clearly identifies the year of acquisition, asset code, asset number, and source of income which will be input within the asset register or guided by the donor.
- 9.10 In case of theft, disposal, or damage beyond repair of MCLD asset the Country Coordinator will approve it being scrapped off the asset register and notify the Board of Directors.

### **9.11 Assets Usage Policy**

- 9.11.1 All motor vehicles and motorcycles belonging to the organization shall ONLY be driven/ridden by authorized and licensed personnel to drive/ride them. No other member of the organization or staff shall drive the said vehicles/motorcycles unless otherwise authorized by the Country Coordinator in writing.
- 9.11.2 No personnel authorized to drive the organization's vehicle/motorcycles shall do so under the influence of alcohol or drugs.
- 9.11.3 No member of staff or member of the organization shall use the organization's vehicles/motorcycles for personal use unless authorized by the Country Coordinator in writing. Breach of this shall render that member of staff liable to disciplinary action by the Disciplinary Committee.
- 9.11.4 Each motor vehicle/Cycle has a log book in which mileage can be monitored. It shows the places of origin and destinations, mileage reading before and after the journey, and has a provision for the signature of the officer who used the vehicle and the one who authorized it.
- 9.11.5 Fuel and Service Accounts – The organization shall endeavor to open and run fuel and service accounts with selected petrol and service station for its motor vehicles/cycles.
- 9.11.6 All the organization's vehicles/motorcycles must be parked at the organization's Offices after official duties and on holidays. In the event that such vehicles are utilized outside official hours, they shall be parked in a safe and secure place.
- 9.11.7 Where a vehicle is involved in an accident, the driver shall immediately make a report to the nearby Police Station (for major accidents) and to the Finance/Administration designate for minor accidents e.g. scratches, dents, or broken lights). Finance Person shall make a report to the insurance company.
- 9.11.8 Use of any other office equipment shall be supervised by the Administrator to prevent abuse. Abuse of organizational property will be immediately reported to the Country Coordinator who shall take first disciplinary action and where the abuse is massive the matter shall be reported to the Disciplinary Committee for further action.
- 9.11.9 In case of loss or damage of MCLD inventory or asset in the possession of staff as the result of negligence they will be expected to cover the costs of repair or replacement of the asset as per the current market rate.

### **9.12 Revaluation of Assets Policy**

- 9.12.1 Every after five years; dependent on the availability of funds the organization shall engage a reputable firm of professional valuers to inspect core assets and revalue them. The valuer's report after review and approval by the board shall be used to update the records of the organization so that they reflect a true and fair view of the state of affairs at a given time. After the valuation, the Finance/Administration personnel or designate shall adjust the accounts accordingly.

**9.13 Sale and disposal of assets**

- 9.13.1 The decision to sell or otherwise dispose of organization assets shall be made by the Board of Directors in consultation with the Finance Committee.
- 9.13.2 The assets to be disposed of shall be valued by at least 3 independent valuers prior to establishing an average value as a reserve price.
- 9.13.3 The Finance Committee may determine the process of the sale which is to be approved by the Board.
- 9.13.4 A successful bidder and the organization shall sign a sales agreement.

**9.14 Depreciation**

- 9.14.1 Motor Vehicles & Motor Cycles, Furniture & Fittings, Equipment, Computers and accessories / Copiers, Buildings, and other assets shall be subjected to annual depreciation at a rate as may be determined by the Finance Committee or as advised by the auditors before the start of a financial year.
- 9.15 MCLD shall depreciate all its assets based on the depreciation rate as below: -

S/N	Asset type	Useful life	Annual Depreciation
1	Building	20 years	5%
2	Equipment	4 years	25%
3	Furniture and Fittings	10 years	10%
4	Vehicle	8 years	12.5%

**Section Ten  
Accounting**

**10 Accounting**

- 10.1 The Organisation shall maintain accurate and up-to-date financial records. Financial reports shall be prepared monthly by the Finance/Administration Officer and submitted to the Country Coordinator for approval.
- 10.2 The Country Coordinator will present a quarterly financial report which shows the financial performance of the organization for the quarter as well as forecasts for the next quarter to the Board of Directors.
- 10.3 MCLD will adopt an accrual accounting method when recording all financial transactions.
- 10.4 Dependent on the availability of resources, the organisation shall procure and use accounting software that conforms to the financial standards to support all accounting and financial management functions.

**10.5 Financial Record and Documentation**

- 10.5.1 All financial and accounting transactions shall be recorded in the organization’s books of accounts.
- 10.5.2 The Finance/Administration Officer or designate shall maintain books of accounts; ensure that financial records and accounting transactions conform to the requirements of the International Financial Reporting Standards.
- 10.5.3 The Finance/Administration Officer or designate shall prepare monthly financial statements as follows
- 10.5.4 Monthly Income and Expenditure statements inclusive of project-specific statements.
- 10.5.5 Monthly Budget monitoring statements
- 10.5.6 Any other management reports as may be required by the Country Coordinator, Finance Committee or Board of Directors.
- 10.5.7 Statement of income, statement of financial position, statement of changes in Equity, Statement of cash flows, and the notes to the accounts every end of the year.

## **10.6 Audit**

- 10.6.1 The organization's accounts shall be audited at least once every year by auditors appointed at the Annual General Meeting.
- 10.6.2 Audits may also be carried out by donors for the projects they fund at the time
- 10.6.3 An audit report shall always be reviewed by the Finance Committee of the Board prior to its presentation at the Organization's Annual General Meeting.
- 10.6.4 Auditors shall be appointed for the maximum period of 3 years unless agreed otherwise with the recommendation from the board.
- 10.6.5 The Finance Committee shall review audit firms and make recommendations to the Board of Directors for approval prior to appointment at the organization's Annual General Meeting.

## **Section Eleven**

### **Budgeting and Budgetary Control**

#### **11 Strategic plan, annual or periodical budgets**

- 11.1.1 The Country Coordinator will lead the process of preparing and submitting a 5-year strategic plan which will be presented and approved during the Annual General Meeting.
- 11.1.2 All programs or projects shall prepare programs budgets directly contributing to the strategic plan which shall later be merged together to form a master annual budget.
- 11.1.3 The Annual budgeting process for the following year shall run from 1st September-30th November and be directly led by the Country Coordinator.
- 11.1.4 Annual budgets prepared shall contribute at least 5% of the total budget towards institutional sustainability and growth.

#### **11.2 Presentation of Annual Budget**

- 11.2.1 All budgets as well as work plans for the following years shall be submitted to the Finance Committee by the Country Coordinator by the end of November.
- 11.2.2 A draft master budget shall be discussed by the Finance Committee in December and then forwarded to the Board of Directors for approval.
- 11.2.3 Members of MCLD shall be notified of the annual budget at the Annual General Meeting or through email at the beginning of every year.

#### **12 Adjustment of approved budgets**

- 12.1 The Country Coordinator may adjust the approved annual budgets with the approval of the Funder, Treasurer, or Board of Directors.

#### **13 Budget Monitoring Statements.**

- 13.1 The Finance/Administration Officer shall prepare and present to management and the Finance Committee and the Board monthly Budget Monitoring statements submitted to the Country Coordinator.
- 13.2 The Country Coordinator shall present the annual budget performance as part of the quarterly financial report to the Board of Directors.

## **Section Fourteen**

### **Miscellaneous**

#### **14 Financial Year**

- 14.1.1 The organization's financial Year shall run from 1st January to 31st December every year.

**14.2 Signing of Contracts**

14.3 The key signatory to contracts is the Country Coordinator who can sign internal contractual documents that commit the organization such as sub-granting, and service providers with the Chairperson signing on donor agreements.

**14.4 Review and Amendment of the Manual**

14.5 The Finance Committee and Country Coordinator shall regularly review this manual and recommend changes to the Board of Directors.

**Policy Sign Off**

The MCLED Finance Management Policy and Procedures Manual was signed on .....

Signature .....

Name .....

Position: .....

**APPENDICES**

Appendix 1: Bank Reconciliation Statement

**Movement for Community-led Development Uganda Chapter  
Bank Reconciliation statement as at: 30.09.2022**

Bank Account: \_\_\_\_\_

Project: \_\_\_\_\_

			Total
<b>Beginning of Month Statement balance from Bank Book/Cheque Register</b>			
<b>ADD:</b>	<b>Funds Transfer</b>		-
<b>Outstanding / Presented Checks</b>			
	<u>Date</u>	<u>Cheque No.</u>	<u>Amount</u>
	<b>BANK CHARGES</b>		



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<b>Total Outstanding / Presented Checks</b>			
<b>Total Adjustments (+/-):</b>			
<b>A</b>	<b>Adjusted Book Balance:</b>		
<b>B</b>	<b>End of Month Balance From as per Bank Statement:</b>		
<b>Overage / Shortage</b>	<b>(A - B)</b>	<b>BANK CHARGES</b>	
<p>I certify that the above-stated information is true and correctly represents the affairs of the Project as of the quarter ended .....</p>			
<p>Prepared by: _____ Date: _____ Finance Officer</p>			
<p>Approved by: _____ Date: _____ Country Coordinator</p>			

Appendix 2: Funds Requisition Form

**Movement for Community-led Development Uganda Chapter  
REQUISITION FORM**

**Date:** \_\_\_\_\_

**Project:** \_\_\_\_\_

**Source of funds:** \_\_\_\_\_

**Debit:** \_\_\_\_\_

**Activity Period:** \_\_\_\_\_

Item	Details	Amount UGX
1.		
2.		
3.		
4.		
5.		
6.		
6.		
7.		
8.		
9.		
<b>Total</b>		

**Requisition made by:**

Name: .....

Signature.....

Position: **User Department/Personnel**

Date:.....

**Checked by:**

Name: .....

Signature .....

Position: **Finance Personnel**

Date .....

**Approved by:**

Name: .....

Signature .....

Position: Country Coordinator

Date: .....

**Authorized by:**


Name: .....

Signature .....


Position: Country Coordinator

Date: .....

Appendix 3- Receipt Book

	Movement for Community Led Development Uganda Chapter P.O. Box 111211 Kampala, Uganda Tel: +256414232060 Email- <a href="mailto:uganda@mclld.org">uganda@mclld.org</a>	
DATE: _____ Received with thanks from: _____	<b>RECIEPT</b>	RECEIPT No. <b>0001</b>
_____		
<b>The sum of (in words):</b> _____		
_____		
_____		
<b>Amount in figures:</b> _____		
<b>Being payment of:</b> _____		
_____		
<b>CASH/MOBILE MONEY/BANK:</b> _____ <b>BALANCE:</b> _____		
<b>Sign:-</b>		

Appendix 4- Individual Payment Acknowledgement form

	Movement for Community Led Development Uganda Chapter P.O. Box 26393 Kampala, Uganda Tel: +256414232060 Email- <a href="mailto:uganda@mclld.org">uganda@mclld.org</a>
<b>PAYMENT ACKNOWLEDGEMENT FORM</b>	
DATE: _____	
_____	
<b>The sum of (in words)</b> _____	
<b>Amount in figures:</b> _____	
<b>Being payment of:</b> _____	
_____	
<b>Received By: -</b>	<b>Paid By:-</b>
<b>Sign: -</b>	<b>Sign:-</b>

**Contact:**





Appendix 7: Staff Pay roll

**Movement for Community-led Development Uganda Chapter  
STAFF PAY ROLL**

**MONTH:**.....

**YEAR:** .....

Name	Position	Gross pay	NSSF Contributions		Advance Paye	P.A.Y.E	LST	Net pay
			(5%)	10%				
<b>Total</b>								

Prepared by \_\_\_\_\_ Checked by \_\_\_\_\_ Approved by \_\_\_\_\_

Finance Person

Country Coordinator

Treasurer

Sign: .....Sign ..... Sign .....

Date: .....Date: .....Date: .....

Appendix 8: Cash Count Certificate

<b>Movement for Community-led Development Uganda Chapter CASH COUNT CERTIFICATE</b>	
<b>MONTH:</b> .....	
<b>PROJECT /PROGRAM</b> .....	
<b>Denominations</b>	<b>Amount in UGX</b>
50,000	
20,000	
10,000	
5,000	
2,000	
1000	
500	
200	
100	
50	
Spoilt notes	
Total cash	
<b>Balance as per cash book</b>	

Counted by: .....Sign:.....

Position: .....

Witnessed by: .....Sign:.....

Position:..... Date .....



Appendix 9: Payment Voucher

**Movement for Community-led Development Uganda Chapter**

**PAYMENT VOUCHER**

DATE ..... VR NO ..... **0001**

Program/Project.....

DR:.....

PAYEE.....

PARTICULARS	AMOUNT

Amount in words:.....

.....

Prepared and paid by

Name:.....Signature .....

Checked by

Name: .....Signature .....

Approved by

Name: .....Signature .....

Position: .....Date:.....

Received by

Name: .....Signature .....

Appendix 10: Claim Form

**Movement for Community-led Development Uganda Chapter  
CLAIM FORM**

**Date** .....  
**Name of claimant** .....  
**Project**.....

ITEM	PARTICULARS	AMOUNT
<b>TOTAL</b>		

Amount in words: .....

Signature of claimant .....

**Checked by**

Name .....Signature .....

Position; .....Date.....

**Approved by**

Name .....Signature .....

Position; .....Date.....











Appendix 16: Stores/Program Requisition Order Form

**MOVEMENT FOR COMMUNITY LED DEVELOPMENT UGANDA CHAPTER  
STORES/PROGRAM REQUISITION ORDER FORM**

Date ..... NO .....

**TO The stores In – Charge**

**PLEASE AVAIL THE FOLLOWING ITEMS**

ITEM	PARTICULARS	QUANTITY

**Requested by**

Name: ..... Signature .....

**Checked by**

Name: ..... Signature .....

Position: .....Date .....

**Approved by**

Name: ..... Signature.....

Position: .....Date .....



Appendix 17: Quotations Request Form

**MOVEMENT FOR COMMUNITY LED DEVELOPMENT UGANDA CHAPTER  
QUOTATIONS REQUEST FORM**

Date:..... NO.....

To .....

ADDRESS .....

**PLEASE PROVIDE US A QUOTATION FOR THE FOLLOWING ITEMS**

ITEM	PARTICULARS	QUANTITY

**Checked by**

Name .....Signature .....

Position: .....Date.....

**Approved by**

Name .....Signature.....

Position: .....Date.....

Appendix 18: Local Travel Fuel Consumption for motor vehicles form

**FUEL CONSUMPTION FORM**

<b>LOCAL TRAVEL FUEL CONSUMPTION FOR MOTOR VEHICLES FORM</b>	
	Date.....
Name of personnel.....	
Purpose of travel.....	
.....	
Details of travel.....	
.....	
Registration number of vehicle.....Amount paid.....	
No. of Litres.....	
Paid by.....	Signature.....
Driver's name.....	Signature.....





Appendix 21: Chart of Accounts

GEN	Sub Account	Sub-Sub Account	ACCOUNT NAMES	CATEGORY
10000	11000		<b>ASSETS</b>	
			<b>CURRENT ASSETS</b>	
		11100	<b>CASH ON HAND</b>	
		11101	Members Subscription	Office
			Members Annual	
		11102	Contribution	Office
		11103	Right2Grow	Office
		11104		Office
		<b>11200</b>	<b>CASH AT BANK</b>	
		11210	<b>Standard Chartered Bank</b>	
		11211	Right2Grow	Bank
		11212	Members' Subscription	Bank
			Members' Annual	
		11213	Subscription	Bank
		11214		Bank
		<b>11220</b>	<b>Bank</b>	<b>Bank</b>
		11221		Bank
		<b>11300</b>	<b>Accounts Receivable</b>	<b>OTHER CURRENT ASSETS</b>
		<b>11310</b>	<b>Activity Advances</b>	
		11311	Joanna Mbakulo	Other Current Assets
		11312		Other Current Assets
		<b>11320</b>	<b>Staff salary advances</b>	<b>Other Current Assets</b>
		11321	Joanna Mbakulo	Other Current Assets
		11322		Other Current Assets
		<b>11330</b>	<b>Prepayments</b>	<b>Other Current Assets</b>
		11331	Rent paid in Advance	Other Current Assets
		11332	Fuel Paid in Advance	Other Current Assets
				Other Current Assets

	12000		Non-current Assets	Non-current Assets
		<b>12100</b>	<b>Computers and Accessories</b>	<b>Fixed Assets</b>
		12110	Computers and Accessories- Original Cost	Fixed Assets
		<b>12200</b>	<b>Printers, Photocopier and Accessories</b>	<b>Fixed Assets</b>
		12210	Computers and Accessories- Original Cost	Fixed Assets
		<b>12300</b>	<b>Cameras and Accessories</b>	<b>Fixed Assets</b>
		12310	Computers and Accessories- Original Cost	Fixed Assets
		<b>12400</b>	<b>Furniture and Fittings</b>	<b>Fixed Assets</b>
		12410	Office Building- Original Cost	Fixed Assets
		<b>12500</b>	<b>Land</b>	<b>Fixed Assets</b>
		12510	Land Original Cost	Fixed Assets
		<b>12600</b>	<b>Motor Vehicles</b>	<b>Fixed Assets</b>
		12610	Motor Vehicle Original Cost	Fixed Assets
		<b>12700</b>	<b>Motor Cycles</b>	<b>Fixed Assets</b>
		12710	Motor Cycles- Original Costs	Fixed Assets
		<b>12800</b>	<b>Bicycles</b>	<b>Fixed Assets</b>
		12510	Bicycles- Original Costs	Fixed Assets

20000			LIABILITIES	
	<b>21000</b>		<b>Long Term Liabilities</b>	
		<b>21100</b>	<b>Individual Loan</b>	<b>Long Term Liabilities</b>
		21110		Long Term Liabilities
		<b>21200</b>	<b>Bank Loan</b>	<b>Long Term Liabilities</b>
		21110		Long Term Liabilities
	<b>22000</b>		<b>Current Liabilities</b>	<b>Current Liabilities</b>
		22100	Payroll Liabilities	Current Liabilities
		22200	NSSF Payable-Nssf	Current Liabilities
		22300	PAYE Payable-Ura	Current Liabilities
		22400	Audit Fees Payable	Current Liabilities
		<b>22500</b>	<b>Individual Loan</b>	<b>Current Liabilities</b>
		22510		Current Liabilities

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		<b>22600</b>	<b>Deferred Income</b>	<b>Current Liabilities</b>
		22610	Deferred Income- Right2Grow	Current Liabilities
		22620		Current Liabilities
		22620		Current Liabilities
<b>3000</b>			<b>EQUITY</b>	<b>Liabilities</b>
<b>0</b>				
	31000		Accumulated Funds	Equity
	32000		Capital Fund	Equity
<b>4000</b>			<b>INCOME</b>	
<b>0</b>				
	41000		<b>GRANTS</b>	
		41100	Right2Grow	Income
		41200		Income
		41300		Income
	42000		<b>Unrestricted Income</b>	
		42100	Consultancy	Income
	43000		<b>Other Income</b>	
		43100	Opening balances	Income
		43200	Gain on Disposal	Income
		43300	Foreign Exchange gain	Income
		43400	Revaluation Surplus	Income
		43500	Interest Received	Income
		43600		Income
<b>5000</b>			<b>Expenditure</b>	
<b>0</b>				
	51000		<b>Administrative Costs</b>	
		51101	Office rent	Expenses
		51102	Office Supplies	Expenses
		51103	Board of Directors Expenses	Expenses
			Repairs and maintenance-	
		51104	Equipment	Expenses
			Transport and fuel	
		51105	costs/Admin	Expenses
		51106	Foreign exchange loss	Expenses
		51107	Bank charges	Expenses
			Office maintenance &	
		51108	security	Expenses
		51109	Electricity	Expenses

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		51110	Repairs & Maint M/vehicles and cycles	Expenses
		51111	Utilities	Expenses
		51112	ICT support	Expenses
			Printing &	
		51113	Photocopying/Admin	Expenses
		51114	Audit fees	Expenses
		51115	Asset Insurance	Expenses
		51116	Repairs & Maint Buildings	Expenses
			Staff Capacity	
		51117	Building/Admin	Expenses
		51118	Support staff facilitation	Expenses
		51118	Airtime and Internet/Admin	Expenses
		51118	Office cleaning	Expenses
			Meals and	
		51119	refreshments/Admin	Expenses
			Membership subscription	
		51120	and Registration fees	Expenses
		51121	Annual Returns-NGO Board	Expenses
		51122	Stationery/Admin	Expenses
		51123	Parcel Delivery/Admin	Expenses
	<b>52000</b>		<b>Personnel costs</b>	<b>Expenses</b>
		<b>52100</b>	<b>Staff Salaries, Resource Fees and Wages</b>	<b>Expenses</b>
			Country Coordinator -	
		52101	Contributions	Expenses
		52102		Expenses
		52200	NSSF Employer Contribution	Expenses
		52300	Local Service Tax	Expenses
		52400	Medical Insurance costs	Expenses
		52400	Professional fees	Expenses
		52500	Legal Fees	Expenses
		52600	Consultancy fees	Expenses
		52700	Withholding Tax (WHT)	Expenses
		52800	Pay As You Earn (PAYE)	Expenses
	<b>53000</b>		<b>Program and Monitoring &amp; Evaluation costs</b>	<b>Expenses</b>
		53101	Airtime, Communication, and Internet/Prog	Expenses



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		53102	Facilitation/coordination for community champions' support	Expenses
		53103	Branding and Information, Communication and Education (IEC) Material development and production	Expenses
		53104	Radio Talk shows and spot messages	Expenses
		53105	Newspaper and print media engagement	Expenses
		53106	Donations	Expenses
		53107	Per diem	Expenses
		53108	Transport and fuel costs/Prog	Expenses
		53109	Meals and Refreshments/Prog	Expenses
		53110	School fees and Scholastic Materials	Expenses
		53111	Printing and Photocopying/Prog	Expenses
		53112	Stationery/Prog	Expenses
		53113	ICT Software and Hardware/Prog	Expenses
		53114	Income Generating Materials	Expenses
		53152	Hotel Accommodation Costs (full board)	Expenses
		53153	Venue Hire	Expenses
		53154	Parcel Delivery/Prog	Expenses
		53155	Materials and Services	Expenses
	<b>54000</b>		<b>Capital Investments</b>	<b>Expenses</b>
		54110	Accumulated Depreciation-Computers & Accessories	Fixed Assets
		54111	Accumulated Depreciation-Printer, Photocopier & Accessories	Fixed Assets
		54112	Accumulated Depreciation-Furniture and Fittings	Fixed Assets
		54113	Land Appreciation Cost	Fixed Assets
		54114	Motor Vehicle- Accumulated Depreciation	Fixed Assets

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		54115	Accumulated Depreciation- Camera & Accessories	Fixed Assets
		54116	Motor Cycles- Accumulated Depreciation	Fixed Assets
		54117	Bicycle- Accumulated Depreciation	Fixed Assets