

West African Centre for Water, Irrigation & Sustainable Agriculture (WACWISA)

University for Development Studies (UDS), Ghana



WACWISA
Building Capacities for Sustainable Solutions

FINANCIAL MANAGEMENT MANUAL

Revised 2022

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1.0 Introduction

The Finance Directorate of the University for Development Studies is in-charge of all financial transactions of the University. The Directorate has gone through various stages of development in line with development of the University since its establishment in 1992. It currently has seven (7) Departments in line with requirements of the University and its stakeholders.

The Finance Directorate has gained vast experience in various aspects of financial management in its 26 years existence of existence. This includes expertise in the management of grants and hence the dedication of a unit known as the Research Projects Unit for that purpose. The Research Projects Unit of the Finance Directorate has been in existence from inception of the University but as a Division under the Final Accounts Department until five (5) years ago when it was put under the Accounts Receivable of the Directorate. The Department is headed by a Senior Accountant and is located at the Central Administration building of the University for Development Studies, Tamale.

The West Africa Center for Water, Irrigation and Sustainable Agriculture (WACWISA), established in the University under the Africa Center of Excellence (ACE III) Project and funded by the World Bank (WB) through the Government of Ghana (GoG) represented by the Ministry of Finance and the Ghana Tertiary Education Commission (GTEC).

It is the responsibility of the Finance Directorate of the University for Development Studies to ensure that finances of the project are properly managed for the achievement of the set goals. The administration of WACWISA involves significant financial resources which require proper financial planning at its inception. A major tool in planning the finances of such a project is the development of a financial management manual to serve as a guide to persons handling the project. As a University, UDS has a financial management manual which applies to the entire operations of the University. This document is therefore carved out of the financial administration manual of the University in a simplified outline for ease of reference and application.

The manual covers all aspects of financial management of WACWISA's operations from receipt of funds through operations to audit and reporting as outlined below:

2.0 Tracking of Grant (Funds)

- I. A designated University account in United States Dollars is maintained at the Bank of Ghana, Tamale Branch, into which funds are received directly from the Ministry of Finance through the Ghana Tertiary Education Commission (GTEC).
- ii. A separate Ghana Cedi account is also opened in a commercial Bank in Ghana.
- iii. Specific account code is allocated to WACWISA from the University's Chart of Accounts under research projects.
- iv. Funds are received directly into the United States Dollar account at Bank of Ghana from the World Bank through GTEC.
- v. As soon as the grant is paid into the dollar account at Bank of Ghana, a receipt is issued for posting into the books of accounts of the University.

3.0 General Operational Procedure

- i. The funds are maintained in the dollar account and transferred periodically in line with the annual implementation budget to a cedi account for disbursements.
- ii. Budgets are prepared to guide operations and expenditure.
- iii. When funds are required in the cedi account, a letter is sent to Bank of Ghana requesting the transfer of the required funds to the cedi account.
- iv. The authorized signatories to the accounts are categorized into A and B. Category A comprises of the Vice Chancellor, the Pro-Vice-Chancellor the Registrar and the Director of WACWISA while category B comprises of the Director of Finance and Deputy Director of Finance.
- v. Two signatories are required for each approved payment, that is, one from category A and one from category B.
- vi. Preparation of documents for each payment will be required and handled by the Research Projects Department.
- vii. The Vice Chancellor of the University is the only expenditure approving officer to the project account. Approval of expenditure is however based on recommendation of Director of WACWISA.
- viii. Every expenditure is recommended by Director of the Center before it is approved by the Vice-Chancellor.
- ix. Upon approval by the Vice-Chancellor, payments are authorized by the Director of Finance before they are processed.
- x. All signatories to the accounts have access to the statement of account through the Director of Finance. The balance on the account is therefore known at all times.

4.0 Disbursement of Funds

- i. Funds are disbursed for payments to be made for goods and services.
- ii. For services, a member of the WACWISA team should have requested for a service through a memo addressed to the Director of the Center and the request recommended and approved by the Director and Vice-Chancellor respectively.
- iii. The request is authorized by the Director of Finance of the University and passed for payment to the Senior Accountant who supervises the preparation of payment voucher (PV) for the payment to be made.
- iv. A letter is sent to the Bank requesting a direct transfer from the Cedi account to the payee. Payment may also be made by cheque.
- v. For goods, a Local Purchase Order (LPO) requesting for the goods which must be recommended and approved by the Center Director and Vice-Chancellor is attached to the request for payment.
- vi. The Director of Procurement attaches all necessary documents to indicate that due process has been followed to procure the goods.
- vii. Goods Received Voucher (CRV) is also attached to indicate that goods have been received into stores or designated place.
- viii. The request for payment is authorized by the Director of Finance and passed to the Financial Management Coordinator for payment.
- ix. Payment Voucher is prepared and a designated ledger account to credited or debited indicated.
- x. Posting to the general ledger is done by the finance staff at the Research Projects Department.
- xi. The Director of the Center is allowed to engage personnel, acquire goods and services in line with the approved budget/work plan of the project.
- xii. The Financial Management Coordinator monitors the spending of the project funds in accordance with the WACWISA work plan and University Financial Regulations.

5.0 Payment for Goods and Services

- i. All payments are backed by approved and authorized requests and supporting documents.
- ii. Payment Voucher (PV) is prepared for each approved and authorized payment request and endorsed by the Financial Management Coordinator.
- iii. A Letter requesting direct transfer by the bank to payee is prepared and endorsed by signatories to the account.
- iv. The letter is sent to the Bank for the transfer to be effected and a stamped copy is returned and filed together with the request for payment and other supporting documents.
- v. The procedure stated above is the same for processing payments for goods and services as well as advances.

6.0 Reimbursement

Where there is an urgent need to undertake activity/activities or travel which results in an officer spending out-of-pocket, application for reimbursement of such expenditure together with receipts of expenses incurred must be audited and forwarded through the Center Director to the Vice-Chancellor for approval. Upon approval, the request is authorized and passed by the Director of Finance for processing by the Financial Management Coordinator for refund.

7.0 Cash Advance

- i. When necessary cash advances are given to officials to undertake activities which require urgent attention and whose exact cost cannot be determined.
- ii. Cash advance can only be utilized for their intended purpose(s).
- iii. No cash advance will be given to an official who is yet to retire previously advanced cash.
- iv. Unspent balance of cash advance must be paid back into the WACWISA project account.
- v. All cash advance obtained must be retired by the official to the Finance Directorate.
- vi. Any official who receives cash advance must retire the advance within 14 days after completion of the task for which the cash was advanced.
- vii. No cash advance will exceed USD 5,000.00 or its equivalence in Ghana Cedis.

8.0 Maintenance of Imprest

The equivalent of USD 500 in Ghana Cedis will be held by the Financial Coordinator or the Administrative Coordinator for daily running of office, servicing of meetings and financing other office activities.

9.0 Receipt of Goods

- i. All items purchased under the WACWISA must be inspected by the Procurement Specialist, the Store Keeper and the user or Director of the Center and vouched by the Auditor.
- ii. An asset register is maintained for all equipment procured in the name of WACWISA.
- iii. Where an asset becomes unserviceable and needs to be disposed, laid down procedure in the University is followed to do so.

10. Role of Audit

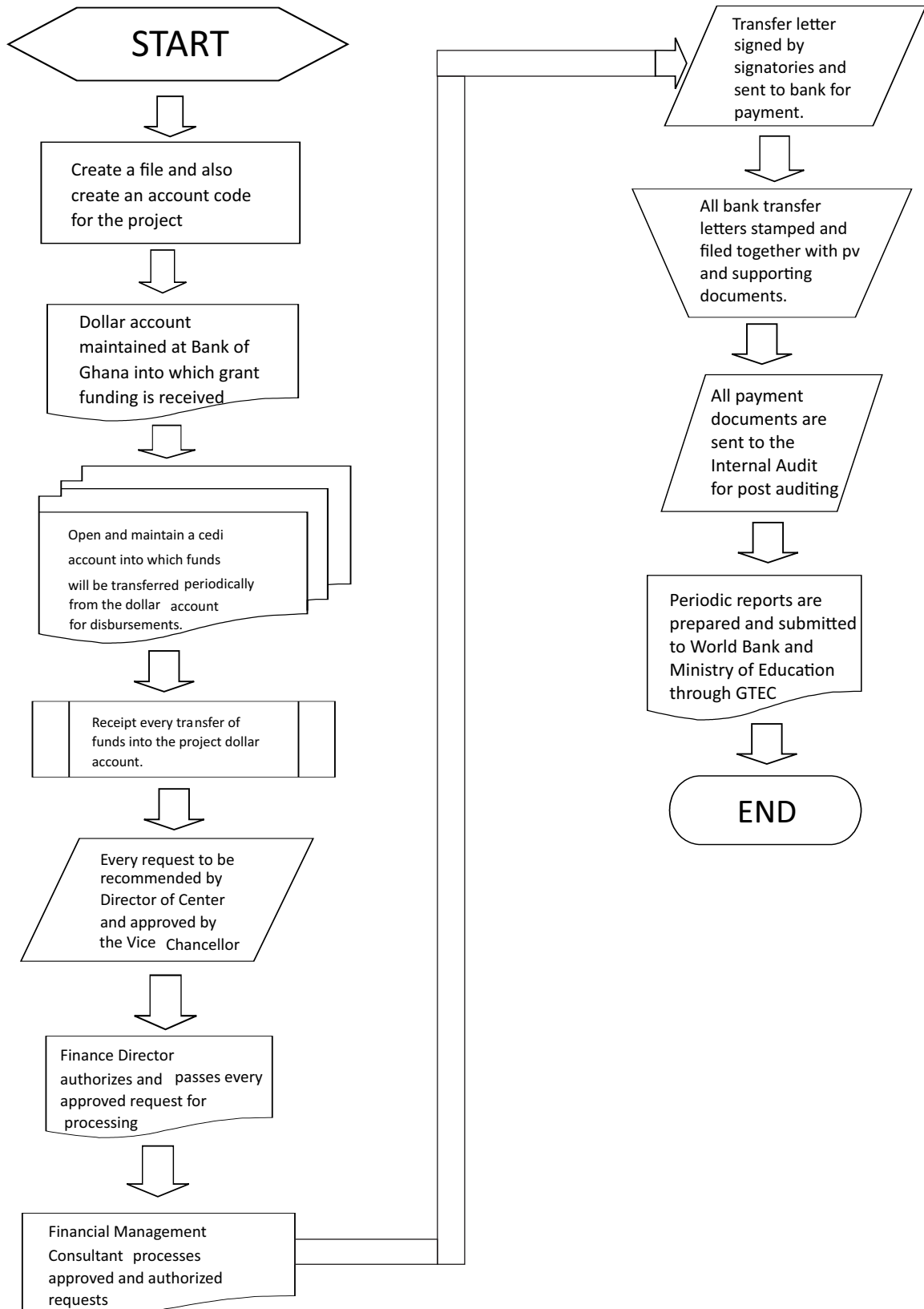
- i. The Director of Internal Audit of the University shall ensure all transactions are audited in line with accepted auditing standards.
- ii. Post payment audit and risk-based audit is adopted in the audit of activities of the project.
- iii. All processed vouchers together with supporting documents will be forwarded to the Directorate of Audit for post auditing.

11.0 Preparation of Reports

- i. The Financial Management Coordinator is required to prepare a financial report on monthly, quarterly and annual basis to be endorsed by the Director of Finance and Director of the Center and sent to the World Bank and Ministry of Education through the National Council for Tertiary Education within 14 days of ensuing month for monthly reports and within 45 days after the end of the quarter or year for quarterly and annual reports.
- ii. The Financial Management Coordinator also prepares ledgers and cash book periodically to be endorsed by the Director of Finance and Director of the Center.
- iii. In addition, the Financial Management Coordinator prepares the statement of expenditure and balance sheet on annual basis according to laid down procedure of the World Bank, the University's financial regulations, and in compliance with Public Sector Accounting Standard and International Financial Reporting Standard.
- iv. Bank reconciliation of the funds will also be prepared by the Financial Management Coordinator and endorsed by the Director of Finance and Director of the Center.

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12.0 Financial Management Manual Flow Chart



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