



Socioeconomic Institute for Advanced Studies (SIAS)

*Pioneering Socioeconomic Solutions
& Development by Multidisciplinary Holistic Academic Programs*

Financial Procedure Manual

December 2022

<http://www.sias.rw/>

Building 16, KK19 Avenue, Niboyi Sector, Kicukiro District, Kigali City, Rwanda

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PREAMBLE

The financial regulations and procedures of the Socioeconomic Institute for Advanced Studies (SIAS) is a document that plays an important role in filling a vacuum given the many challenges that face management in the financial operations and overall management of the Institute. The procedures and regulations contained to provide a guidelines and governing policy framework on the normal execution of Institute financial operations and other government regulations and guidelines as issued from time to time. Thus, the policy intends to ensure compliance with these statutory provisions herein. the law No 010/2021 of 16/02/2021 determining the organization of education on matters regarding the types of Higher Learning Institutions.

All financial operations of the Institute sections, departments, faculties, schools and institutes, all income-generating units shall be bound by these regulations and other circulars issued from time to time in accordance with this policy.

All members of staff, including new employees, newly appointed Vice-Chancellor, Chairman, Directors, Deans, Principals, Deputy Vice-Chancellors, and members of Councils shall be expected to familiarize themselves with the contents of this document and apply the same in their areas of operation and jurisdiction. Finally, the policy will contribute to the smooth running of the operations of the Institute.

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PREFACE

These Financial Regulations deal with the management of SIAS finances and resources. They have been prepared to serve as a guide to all staff dealing with finances in application of financial regulations, policies and procedures.

While preparing the regulations, reference has been made to GAAP, International Financial Reporting Standards (IFRS), and the SIAS Constitution.

It will be the duty of all members of staff dealing with financial matters to familiarize themselves with the document and adhere to the guidelines therein. The Rwanda Government may from time to time issue guidelines in respect of financial management of the Institute, and in such cases these guidelines shall prevail. The Institute Council may review sections of these regulations and until a revised financial regulation document is issued, such reviews shall prevail.

All issues relating to interpretation of these financial regulations shall be referred to the Finance Officer.

It should be noted that the use of the term “he” in the document refers to both male and female members of staff.

Chapter 1: Introduction

In reference to law No 010/2021 of 16/02/2021 & the Ministerial Order No 001/MINEDUC/2021 of 20/10/2021, these financial regulations and procedures deal with the Management of SIAS finances and resources. The SIAS is a corporate body with permanent succession, and shall, in its corporate name, be capable of:-

- I. Suing and being sued,
- II. Taking, purchasing or otherwise acquiring, holding, charging and disposing of movable or immovable property; and
- III. Borrowing or lending money; and
- IV. Doing or performing all such other things or acts for the proper performance of its functions under, and for the furtherance of, the provisions of the SIAS Charter and the SIAS Strategic Plan, which may lawfully be done or performed by a body corporate.

The application of these regulations and procedures shall, in all respects, comply with the provisions of SIAS, and all other policy documents, as well as the SIAS Strategic Plan. The Board and Institute Council are responsible for policy guidance of operations of the SIAS. The policy, in particular, draws special attention to the following provisions:

1.1 The Companies Act

“The SIAS shall keep or cause to be kept proper books of accounts, recording of all its property, undertakings, funds, activities, contracts, transactions and other business of the Institute”.

“The Institute Board of Directors shall have the responsibility to guide the Management on the proper management of the affairs and the funds, the financial business and the management of the Institute in general.

1.2 The Audit Policy

For each financial year, the Institute shall prepare and submit for audit accounts to the appointed Audit Committee of the SIAS Board. After certification, these audited accounts shall be used for financial reporting purposes.

The Accounts shall include the following:-

1. A balance sheet showing the assets and liabilities as at the end of the financial year;
2. A statement of the income and expenditure for the financial year;
3. A cash flow statement for the financial year; and
4. Any other statements and accounts that may be necessary to fully disclose the financial position of the Institute.

The Institute shall submit its financial reports within three months after the end of the financial year to which the accounts relate.

A Certified External Auditor shall examine and audit the accounts submitted by the Institute, express an opinion and certify the result of the examinations and audits.

The Certified External Auditor shall prepare a report on the examination and audit and submit the report to the Board of Directors and Trustees.

Without limiting what may be included in the report, the report shall indicate whether:-

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- a) The information and explanations that were required to perform the examination and audit were received;
- b) Proper books of account have been kept, and the accounts are in agreement with the required standards;
- c) The accounts present a true and fair view of the financial position of the Institute;
- d) Due provision has been made for the repayment of all money borrowed by the Institute; and
- e) Adequate amounts have been set aside for depreciation, provisions and renewal of the assets of the Institute.

Without limiting what may be included in the report, the report shall identify cases in which:-

- a) Money has been spent in a way that was not efficient or economical; or
- b) The rules and procedures followed, or the records kept, were inadequate to safeguard property and the collection of revenue.

The Institute shall pay for the costs of the audit and the amount of the payment shall be as agreed between the Institute's Vice Chancellor and head of the finance department and any other competent authority where necessary.

(1) The SIAS may appoint an external auditor who is not a member of the staff of the Institute to assist in an examination and audit of accounts.

(2) Any person registered and practising as a Certified Public Accountant in Rwanda and elsewhere may be appointed under this section as long as he is agreed by RRA and other regulatory agencies in Rwanda.

(3) Any auditor appointed under this section shall comply with any general or special directions given by the Institute Board and Trustees.

(4) An auditor appointed under this section shall report to the Board of Directors, Senior Management and Trustees.

1.3 Sources of SIAS Funds

The SIAS's main source of funds is capital contributions by the Institute's Promoters. Other sources include tuition fees, application fees, registration fees, research grants, and other income-generating activities.

1.4 Accounting Officer

The Vice-Chancellor, as the Chief Executive of the Institute, deals with the day-to-day administrative and academic management aspects of the Institute. The Vice-Chancellor is also the accounting officer of the Institute. Deputy Vice-Chancellor (A&F), Deans, Directors, Departmental and Section Heads exercise delegated authority and are responsible to SIAS Board of Directors through the Vice-Chancellor for the accounting functions in their respective units.

The duties and responsibilities of the Accounting Officer include:-

- a. Ensuring that the Institute funds are applied only for the Institute business purposes approved by the Board and/or Trustees and in conformity with the approved rules and regulations or policies;

- b. Signing the balance sheet and the financial statements and thereby taking responsibility for their accuracy;
- c. Preparing accurate and realistic estimates of recurrent and development expenditure, which may have prescribed ceilings;
- d. Ensuring that all amounts due to the Institute, including tuition fees, other fees or other income, are collected promptly, officially received and properly accounted for;
- e. Ensuring that all expenditure incurred by the Institute is within the approved estimates, fully documented ;
- f. Managing and controlling Institute resources and ensuring that policies set are followed;
- g. Ensuring that all reasonable precautions are taken to safeguard the receipt, custody, issue and proper use or disposal of Institute property and that regulations and statutes relating thereto are strictly observed;
- h. Ensuring that all income and expenditure relating to income-generating activities of the Institute are operated in accordance with approved policies and regulations;

In order to effectively discharge these duties and responsibilities, The Vice-Chancellor is assisted by staff in Finance and Audit Departments. These officials carry out day-to-day financial control responsibilities as delegated by The Vice-Chancellor through DVC (Administration & Finance) or his representative.

1.4 Finance Department

The Finance Department of the SIAS shall have responsibility to meet the requirements of the SIAS Strategic Plan, besides the Institute's financial objectives.

- i. This department is charged with the responsibility of implementing sound financial controls of the Institute. It ensures effective management of the Institute's financial resources, and provides professional guidance to the Institute on financial matters.

In order to achieve its objectives, the department designs and implements sound accounting and financial systems in accordance with international accounting practices, professional standards and guidelines issued from time to time by professional and regulatory bodies.

- ii. The department is responsible for collection, custody and banking of all income due to the Institute. This includes all income generated through income-generating units of the Institute. All other SIAS officers undertaking collection of funds exercise delegated authority from the department and must implement all the necessary financial controls in respect of funds collection. The department also ensures that expenditure incurred is in accordance with SIAS policies and guidelines.
- iii. The Director of Finance and Administration is the administrative and professional head of the Finance Department and is responsible for management of finance staff in conjunction with other Institute administrators in Central Administration, and other units in SIAS. He is assisted by Chief Accountants and

accountants as well as other finance officers/staff in the performance of their duties.

The duties of the Director of Finance and Administration include:-

- a. Maintaining books of accounts and records relating to all income, expenditure and investments;
- b. Ensuring sound financial management of Institute funds through application of appropriate financial systems and investment options;
- c. Implementing effective financial and stores control systems;
- d. Preparing annual accounts and other financial reports in conformity with relevant professional standards and other statutory requirements;
- e. Preparing Institute's annual budget in consultation with departments and submitting the same to the VC and/or to Trustees;
- f. Ensuring that Institute financial systems are sound in design and operation and comply with International Financial Reporting Standards and other professional and regulatory guidelines;
- g. Ensuring economic utilization of Institute resources and other assets.

The internal audit system ensures that there is continuous evaluation and review of all management aspects of the Institute in compliance with laid down policies, financial regulations, instructions and accounting procedures.

Chapter 2: Internal Audit

2.1 Introduction

The Internal Audit function is an independent, objective assurance and consulting activity designed to add value and improve the Institute's operations. It assists the Institute to accomplish its objectives by applying a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

2.2 The Role of the Internal Audit

The role of the department is to manage comprehensive operational and financial audit programs that provide assurance and consulting services designed to add value and improve the Institute's risk management, control, and governance processes.

The department is headed by the Director of Finance and Administration, assisted by the Chief Accountant and other internal audit staff.

2.3 Reporting Structure

2.3.1 The Director of Finance and Administration is administratively responsible to The Vice-Chancellor for the proper execution of the Internal Audit function at the Institute, while professionally he is responsible to the Audit Committee of the Board. The Senior Internal Auditor is professionally responsible to the Director of Finance and Administration for the proper execution of the Institute Internal Audit function while administratively; he is responsible to DVC Finance & Administration of the Institute in which he is stationed as the case may be.

2.3.2 To ensure the independence of the Auditors, each shall be free from any operating responsibilities that may impair his objective assessment in discharging his internal audit functions.

2.3.3 In exercising his responsibilities the internal auditor shall have unrestricted access to all records, books, vouchers, reports or any other information that he may consider necessary in the discharge of his professional duties.

2.3.4 The Internal auditor may call upon any officer of the Institute to offer an explanation and information which he may require in order to effectively discharge his duties.

3.0 The Functions of The Internal Audit

3.1 Professional Functions

The Internal Audit Department seeks to determine whether the Institute's network of risk management, control and processes, as designed and represented by management, is adequate and functioning in a manner to help ensure that:-

- i. Risks, including strategic risks, are appropriately identified and mitigated or managed;
- ii. Significant financial, managerial, and operating information is accurate, reliable, and timely;

- iii. Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- iv. Resources are acquired economically, used efficiently, and adequately protected;
- v. More effective business strategies are adopted to manage poor performance;
- vi. Programs, plans, and objectives are achieved; and
- vii. Quality and continuous improvement are fostered in the Institute's control process.

3.2 Other Functions

- i. Issuance and control of accountable documents such as receipt books, Local Purchase Orders (LPO's) and stores requisition notes;
- ii. Pre-Auditing of payment vouchers and purchase requisitions;
- iii. Undertaking special investigations on behalf of the Institute Management;
- iv. Offering consultancy services to the Management of the Institute in relation to its subsidiary companies if any, Income Generating Units' (IGU's) and Special Programs.

3.3 Reference Documents

In carrying out their professional duties, the Internal Auditors shall be guided by:

- i. The Internal Audit Manual;
- ii. Professional Code of Conduct and Ethics set by professional bodies.

Chapter 3: Accounting Systems

3.1 Introduction

The Institute is required to produce Annual Accounts in compliance with the SIAS policy and other statutory requirements. These Accounts are subsequently audited by A Certified External Auditor or any other auditor authorized by him. The financial year of the SIAS runs from January to 31st December.

The SIAS policy state that:

1. The financial year of SIAS shall be a period of twelve months ending on the 31st day of March in each year.
2. The SIAS shall keep all proper books of records of accounts of the income, expenditure and assets of the Institute.
3. Within three months from the end of each financial year, SIAS shall submit to the SIAS Board of Directors(i) the Audited accounts and (ii) Summary of due Tax Returns and Remittances by the Institute together with:-
 - a. a statement of the income and expenditure of the Institute during the financial year; and
 - b. a balance sheet of the Institute on the last day of the year.

In order to meet this objective, the Institute shall operate an integrated Financial Information Management System (FIMS)/ accounting software which captures accounting data from all the accounting or cost centres in SIAS.

The computerized accounting system incorporates the classification of accounts, the expenditure and income accounting system, bank accounts, student ledgers, salaries and wages ledgers and all other aspects of financial accounting within the Institute.

3.2 Annual Estimates

The policies stipulate that:-

- i. SIAS shall prepare and submit annual budget estimates of revenue and expenditure to the Board for approval in such form and at such times as the Board shall from time to time prescribe.
- ii. SIAS may incur expenditure for purposes of the Institute in accordance with estimates approved by the Board and/or Trustees and any approved expenditure under any head of the estimates may not be exceeded without the prior approval of The Vice-Chancellor. The following are some of the expenditure categories that require appropriate estimates:-
 - a. For the payment of the salaries, allowances and other charges in respect of the staff of the Institute;
 - b. For the payment of the pensions, gratuities and other charges in respect of retirement benefits which are payable out of the funds of the Institute;
 - c. For the proper maintenance of the buildings and grounds of the Institute;
 - d. For the proper maintenance, repair and replacement of the equipment and other movable property of the Institute;
 - e. For the proper funding of the cost of teaching and research activities of and in the Institute;

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- f. For the creation of reserve funds to meet future or contingent liabilities in respect of retiring benefits, insurance or replacement of buildings or equipment, or in respect of such other matters as the Board may think fit.
- iii. Annual estimates shall be prepared by the Director of Finance and Administration before the commencement of the financial year to which they relate, and shall be submitted to the Board and/or Trustees for approval and after approval The Vice-Chancellor shall not increase any sum provided in the estimates without the consent of the Board and/Trustees.

3.3 Classification of Accounts

The accounts are classified in terms of major codes, departmental codes, minor expenditure codes, income codes and expenditure codes, etc., as and when required.

3.3.1 Trial Balance

Finance Department produces the trial balance at the end of every financial year, for the purpose of:-

- a. Checking arithmetical accuracy of postings;
- b. Comparison of actual expenditure and budgeted provisions for budgetary control purposes;
- c. Preparation of financial management reports;

3.3.2 Preparation of Annual Accounts

The Institute annual accounts are prepared at the end of every financial year. These are based on SIAS accounting policies, which are:-

- (a) Annual Accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets;
- (b) Income from grants and fees includes only the amount receivable during the financial year;
- (c) Income from endowments, donations, research grants and other services rendered are included only to the extent of expenditure incurred during the year;
- (d) Fixed Assets are stated at cost or professional valuation. Depreciation is provided for at annual rates estimated to write-off assets over the expected useful lives and in respect of depreciation rates prescribed by statutory agencies.

The annual rates are:-

Land:-

- Freehold - Nil
- Leasehold - Life of lease
- Buildings - 40 years - 2%
- Furniture and Equipment - 10% on reducing balance
- Motor Vehicles - 20% on straight-line basis
- Computers - 50% on straight-line basis
- Academic Gowns - 20% on straight-line basis
- Depreciation is charged to the Capital Fund.
- (e) Endowment and Trust Fund investments are stated at the market value;
- (f) Stocks are valued at the lower of cost and net realizable value;

- (g) Revenue commitments represent goods and services ordered but not delivered at the end of the financial year;
- (h) The cost of library books is written off to expenditure as incurred;
- (i) The principal pension scheme for the Institute staff is the Rwanda Social Security Board Pension Scheme. The Institute's contributions to this scheme are charged to the salaries votes as per Rwandan labor law;
- (j) Assets and liabilities in foreign currencies are converted into Rwanda Francs at the rates of exchange ruling at the balance sheet date. Conversion differences are accounted for in the Appropriation Fund Account;
- (k) Valuation of donated equipment is done by Institute appointed professional valuers or as stated by the donors;
- (l) Research Grants are funds set aside from current and previous financial years. The uncommitted balance on each vote is carried forward until the related research project is complete.

3.4 Year End Finalization of Accounts

- (a) Reconciliation of various accounts shall be on continuous basis and must be completed by the end of each year to allow the completion of annual accounts by **31st December**. The final trial balance shall be completed by the **1st January**
- (b) **Closing of Cash Books:** The closing date of cash book is 31st December, each financial year.
- (c) **Accruals:** Pending payments and income earned but not yet received by 31st March shall be accrued and treated either as Sundry Creditors or Debtors and journalized in the Accounts as follows:-

c-1 Pending Payments:

Debit: Individual expenditure votes with total amount pending.

Credit: Sundry creditors with the total amount.

c-2 Accrued Income:-

Debit: Sundry debtors with monies receivable as at 31st March.

Credit: Individual income votes.

(d) Fixed Assets:-

A statement of all fixed assets owned by the SIAS as at the end of the financial year shall be incorporated in the final accounts. This shall include fixed assets movements during the year as follows:-

- (i) A schedule of all additions to fixed assets;
- (ii) A schedule of all disposals;
- (iii) A computation of gain or loss on disposal;
- (iv) A schedule of work-in-progress;
- (v) A schedule of all assets donated;
- (vi) Transfer of fixed assets;
- (vii) Depreciation charge for the year.

(e) Stocks:

There shall be a stock taking exercise at the end of every financial year. A statement of all stocks held by the SIAS at the end of the financial year shall be incorporated in the final accounts.

In order to achieve this, there shall be need for:-

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- (i) A summary of all stocks held;
- (ii) Valuation stock sheets for all stocks;
- (iii) Reconciliation of each type of stock by vote between physical stock and ledger card balance;
- (iv) Details of obsolete and slow moving stocks.

(f) Cash Survey and Bank Balances

f-1 There shall be cash survey in every cash office including petty cash on monthly basis which shall be reconciled with the cash book balances. Cash book balances shall be reconciled with bank balances or cheques withdrawn.

f-2 Cash and bank balances held by Institute as at 31st March shall be reflected in the annual accounts.

3.5 Annual Accounts for Subsidiary Companies

The SIAS may incorporate subsidiary companies. The Institute shall exercise control over partially or wholly owned companies in pursuance of its objectives and ensure preservation and enhancement of its investments.

The annual accounts for these subsidiary companies shall be prepared separately but be consolidated and incorporated in the Institute's annual accounts in accordance with International Accounting Standards on presentation of consolidated financial statements.

Chapter 4: Expenditure

4.1 Introduction

All expenditure incurred by the Institute shall be within the estimates approved by the Board or any other officer authorized by the Board.

All such expenditure incurred shall be authorized by relevant Heads of Departments shall be controlled by Finance Department.

- (a) All payments shall be made on official SIAS payment vouchers and or cheques. The payment vouchers shall be, dated and properly describe the payment being made;
- (b) The payment voucher shall be prepared in Finance Department, and be signed by the person preparing it before subsequent approval by the Director of Finance & Administration and/or VC or his delegate ;
- (c) Approval of payment vouchers implies that all the requirements mentioned above have been met;
- (d) The expenditure shall be charged to the proper vote/account. All payment vouchers shall be properly supported and pre-verified before payments are affected;
- (e) Payments may be effected by way of cheques, Real Time Gross System/one bank a/c to another bank a/c, EFT, Cash, or any other method, depending on the circumstances and the applicable rules and regulations stipulated by the Institute, e.g the Banks;
- (f) The **first Mandatory signatory** for all cheques of the Institute and its subsidiaries, project accounts and shall be the Director of Finance and Administration or the Authorized officer of the Institute authorized by Vice-Chancellor or Board of Trustees.

4.2 Payment for Goods and Services

- (a) Where payment is in respect of good/services purchased, the goods/services shall have been received and confirmed through delivery Inspection and Acceptance Report. The delivery Inspection and Acceptance report is to be made by Head of Department where the goods/services are delivered.
- b) Proper invoices, receipts and the delivery note shall be attached to the paying copy of the purchase order and payments together with the original requisition note, and the stores received note where applicable.
- (c) These documents shall be forwarded to Finance Office for payment.

4.2 Creditors Ledger

There shall be a creditor's ledger in each relevant finance office. The Chief Accountant shall ensure that an up to date creditor's ledger is maintained and regularly reconciled.

4.3 Payment of Rent and Services for Leased Property

Where the Institute leases property the following payment procedures shall apply:-

- (a) All lease agreements shall be scrutinized and verified by the Institute's Legal Officer or any officer with capacity to do so before submission for approval by the Vice-Chancellor or any other officer authorized by him on behalf of the Institute.
- (b) There shall be authorization by the above Institute's Legal Officer and the Deputy Vice Chancellor Finance and Administration or his delegate.

- (c) The DVC Finance and Administration may from time to time independently examine the particulars of any lease agreement.
- (d) The Institute's Legal Officer shall notify the Director of Finance and Administration of any variations occurring within the lease period.

4.4 Salaries and Wages Payments

The Human Resource Section shall be responsible for:-

- (a) Ensuring timely payment of salaries and wages to the employees within the set time lines;
- (b) Ensuring statutory and other deductions are effected and remitted to relevant authorities within the set time lines;
- (c) Ensuring that only genuine employees are paid.

For proper functioning of Human Resource Section, the following guidelines shall be observed:-

- (c) There shall be a separate file for every employee maintained by the Finance Office.
- (d) Salaries shall be paid as per letter of appointment indicating acceptance of offer with effect from the date indicated in the Staff file/contract.
- (e) Removal of employees from the payroll shall be on account of:-
 - Resignation;
 - Death;
 - Retirement;
 - Dismissal;
 - Termination of Services; or
 - Expiry of Contract
- (f) The authorized officers (Director of Human Resources, DVC-F/or his delegate and VC) shall supervise preparation of the payroll. The Director of Human Resource shall ensure that any variation in the payroll is duly authorized.
- (g) Casual employees shall identify themselves when receiving their pay in cash by national identification cards, previous pay slips and employee identification cards. An officer of the Institute such as the Internal Auditor may pay surprise visits during payment of casual wages.
- (h) After at most two days from pay day, unclaimed wages shall be receipted intact and only paid out after proof of entitlement.
- (i) Monthly payrolls shall be compared with previous monthly payrolls, and any variances shall be authenticated by the HR.
- (j) Temporary staff shall be paid in accordance with the employment contracts between them and SIAS.
- (k) All salaries shall be paid through the bank. However, under certain special circumstances, salary advances could be paid in cash.

4.5 Salary Advances

- (a) The Institute shall grant salary advances only under very special circumstances and on approval by the Vice-Chancellor.
- (b) Advances shall be controlled through payroll and restricted to the employees' basic pay.

- (c) Advances shall be recovered within a period not exceeding three months from employee remunerations.

4.6 Allowances

The Institute may pay allowances as approved by the Senior Management through the Board and where they are within the Institute regulations subject to budgeted provisions. These allowances may include among others house allowance, responsibility, entertainment, acting, leave, clinical, special duty, passage and baggage, subsistence, day trip, per diem while travelling outside Rwanda, honoraria, and telephone etc. The payments shall be within the ceilings as determined by the senior management.

4.7 Advances for Research/Official Duties

- (a) No advance shall be granted unless the vote to be charged has adequate funds to meet the expenditure. In case of advances from donor-funded votes, the purpose must be as per terms of agreement between the donor and the SIAS;
- (b) The official application form shall be completed and shall state the amount, a detailed budget and reason for taking the advance;
- (c) The advance holder shall account for it within the prescribed time limit which is normally 2 (two) weeks after the accounting date stated by the applicant unless express authority for extension is granted by the Director of Finance & Administration;
- (d) No further advance shall be granted to the advance holder before the previous one has been accounted for;
- (e) All accounting for advances shall be through the Head of Department or the next authorized officer;
- (f) Recovery of outstanding advance shall be instituted on the holder of the advance 14 days after expiry of the prescribed time limit;
- (g) An up-to-date register for advances shall be maintained;
- (h) Over-expenditure in excess of 10% of the amount advanced shall not be permitted;
- (i) Expenditure of research money will be subjected to Institute regulations, procurement regulations and as long as it does not contradict the M.O.U with the donor;
- (j) All other official advances shall be controlled in the same manner as prescribed in (a) and (i) above;
- (k) All fixed assets procured through grant funds belong to the Institute and shall be accounted for through Grants and Capital Sections.

4.8 Foreign Currency Transactions

4.8.1 Foreign payment requirements.

Institute staff who are to travel outside the country on official duty may require to obtain foreign currency through the Institute. The following procedures shall apply:-

- i. A letter of authority from the Vice-Chancellor approving this transaction shall be required;
- ii. Upon receipt of the Vice-Chancellor's approval, the Director of Finance and Administration shall liaise with the Institute bankers and request for the foreign currency needed.

- iii. The Director of Finance and Administration or any officer authorized shall follow up the debit advices related to foreign currency transactions and payment vouchers shall thereafter be raised;

4.8.2 Importation

Where the Institute requires to import goods from foreign countries the following payment procedures will apply:-

- i. Chairmen/Heads of Department shall seek authority from Deputy Vice-Chancellor (A&F) to send a letter to HEC asking for exemption or reduction of taxation for items brought for educational purposes.
- ii. The pay if necessary, as an exception shall be in foreign currency with approval of DVC (A&F).
- iii. All imports shall be subject to procurement regulations, documentation and letters relating to importation.
- iv. All foreign procurement should meet requirements of tender Committee or SIAS procurement committee;
- v. If necessary, the Institute will liaise with the bankers for issuance of the letters of credit, where applicable;
- vi. Based on satisfaction of all the above, then payment vouchers will be raised.

4.8.3 Foreign payments for services rendered.

The Institute may require payments in foreign currency to be made in respect of services rendered. The following shall be required to effect payment:-

- i. The relevant Department shall submit to Finance Department certified invoices/letters;
- ii. The Finance Department shall requisition for drafts, RTGS or EFT for foreign currency from the banks, where applicable;
- iii. Payment vouchers marked “for posting only” shall be prepared on receipt of debit advices from the banks.

4.9 Mileage Claims

Institute policy on official travel requires that Institute transport be used for official duties whenever possible but where transport is not available; a member staff may claim reimbursement for use of his/her personal vehicle upon provision of proof of payment. The reimbursement shall be based on the official rates approved by Senior Management.

4.10 Submission of Personal Claims

Personal claims shall be submitted within the relevant financial year or otherwise be forfeited. These include mileage, telephone, medical, overtime, among others.

4.11 Petty Cash Payments (Imprest)

The Accountant shall maintain a Petty cash fund based on an Imprest System; the envisaged amount for the Imprest will be 200,000Frw to be replenished as and when necessary. Payments exceeding 50,000Frw should be made by cheque.

The imprest ceiling amount may be varied upon a written decision of the board of directors in the interest of better Department/school activities implementation.

The amount of replenishment is always the total of summarized Petty Cash expenses,

which must be prepared by the Accountant, checked and approved by the Director of Finance.”

N.B: We may even specify which expenses that can be paid through petty cash
The imprest shall be applied for emergency and other petty payments not exceeding RwF.200,000.00 or otherwise approved by Director of Finance and Administration or any other authorized officer;

- (a) The imprest shall be replenished on monthly basis and shall be reconciled against cash balances and payment vouchers;
- (b) Adequate internal controls over the imprest shall be exercised. These include:-
 - i. Surprise checks.
 - ii. Regular checking by the authorized officer.
- (c) All standing imprests shall be surrendered on or before 31st of March of every year;
- (d) Revenue collected could be used as imprest upon approval from the DVC (A&F) or any other authorizing officer.

4.12 Non Cash Payments

- (a) Except for payments through standing imprests, all other payments shall be by cheques, Payment Order, EFT, Bank Draft or letter of internal transfer. All such payments shall be controlled through a movement register maintained by an authorized officer;
- (b)
 - i. Signed cheques, and Payment Orders, duly signed by signatories, shall be released by an authorized responsible officer ONLY;
 - ii. (ii) Institute authorized agent shall deliver EFT, RTGS, internal letter of transfer to be effected in the bank. The agent shall deliver upon authorization from Director of Finance and Administration.
- (c) Cheques shall not be cancelled for cash payments EXCEPT for exceptional cases authorized by the Vice-Chancellor.

4.13 Financial Information Management

All payment vouchers are captured in the correct account in the Financial Management Information System (FIMS). The SIAS shall at all times maintain an up-to-date FIMS. The Director of Finance & Administration is charged with the responsibility of processing all financial transactions and the production of all accounts up to final trial balance. The ICT Department shall be responsible for the management of the FIMS and shall report to the Director of Finance & Administration on monthly basis.

It is headed by the Director of ICT whose duties, among others, are safe custody, preservation and retention of all accounts and records database. He is also responsible for custody and maintenance of all the hardware and software in the ICT Department.

Duties of Information & Communication Technology (ICT) Department include:-

- (a) Back-up of all Institute accounts and records databases of all Institute Departments;
- (b) Safe custody, preservation and retention of all information management systems offsite back-ups;
- (c) Production of timely and accurate management system reports.
- (d) To provide necessary ICT support to the department as and when required.

Chapter 5: Procurement And Stores Control Policies

5.1 Introduction

Procurement means the acquisition of goods, works and services.

For the purpose of complying with the Procurement law, every department is required to obtain and keep readily available to staff, among others, the following documents:-

- i. Procurement Plans which are guided and approved by Management.*

In applying procurement procedures, special attention shall be paid to the following:-

- (a) While the price paid is important, what is far more important is obtaining value for money. The right quality to meet the specified need is vital and it is important to ensure that goods, works and services are delivered in line with planned schedules. It is also important to procure the correct quantity of materials having regard to the advantages of bulk procurement.
- (b) In addition to the price, the procuring entity needs to take into account quality, quantity, source time, internal and external factors, which are crucial to its decision making.
- (c) When selecting a supplier the procuring entity shall endeavor to identify an organization that will meet its needs in quality, quantity timing and dependability at the lowest cost through Technical Evaluation process.

5.2 Procurement Plans

Procurement planning is mandatory for all departments.

Procurement planning serves to ensure that:-

- a. Determining what will be procured, at how much and when.
- b. Funds to be committed in all procurements have been budgeted for.
- c. Splitting of orders to circumvent approval ceilings is not allowed and cannot subsequently be excused. All departments must ensure they prepare in advance their 'Procurement Plans' which they will follow during the financial year. These plans must be approved before they are applied. The Procurement Plans must be filed with Finance, the Stores (warehouse) and/or other authorized receiving departments.
- d. Adhoc/particular purchases could be permitted upon approval of VC.
- e. In case of emergency, purchases supporting documentations must be prepared and approved before execution.

Heads of Departments who are charged with procurement responsibilities must ensure that procurement plans are prepared in line with their annual budgets and implemented. They must therefore monitor the implementation of procurement plans on a quarterly basis and make adjustments as necessary.

Procurement planning is the responsibility of all those charged with procurement responsibilities of the organization. Procurement is a complex function and requires participation of all actors. It is also important for all actors to co-ordinate in performing their roles for the success of the procurement function.

The annual procurement plan should have the following details (where applicable):-

- Contract package
- Estimated cost
- Proposed procurement method
- Dates for completion of key procurement activities including:-

<http://www.sias.rw/>

- (i) Preparation of tender documents
- (ii) Opening tenders
- (iii) Selection of consultants where necessary
- (iv) Working drawings
- (v) Receiving proposals/tenders
- (vi) Tender evaluation
- (vii) Tender Committee adjudication and contract award
- (viii) Signing of contract agreements
- (ix) Implementation process to completion
- (x) Payment to supplier/contractor

5.3 Choice of Procurement Procedure

Procurement will generally be done using any of the following methods:-

- (i) Open Tender
- (ii) Quotations
- (iii) Restricted/Tendering
- (iv) Direct Procurement
- (v) Request for Proposals
- (vi) Specially permitted method (to be approved by management in relation to procurement law (s)).

The above methods are described as follows:

5.3.1 Open Tender System

The preferred procurement method of the Institute is the Open Tender System. Where any other procurement method is used, a record of the reasons for the choice of that other procedure shall be made prior to its use and approval in writing given by the Tender Committee. The process of the open tender system in the SIAS shall be as follows:-

- (a) Submissions of requirements in line with procurement plans by the SIAS departments to the Procurement Officer. The submissions shall incorporate technical specifications.
- (b) Invitation of tenders through the local media in at least two (2) national newspapers of wide circulation with clear details of tendering procedures.
- (c) Opening of tenders shall be done by a committee of at least three responsible officers appointed by the DVC (A&F) in the presence of tenderers one of whom shall be an officer not directly concerned with processing of the Tender. Each tender shall have a different opening committee.
- (d) Evaluation by 'Technical Evaluation Committee' comprising experts in the particular area concerned.
- (e) Tender awards by the Institute Tender Committee.

5.3.2 (a) Examination and Evaluation of Tenders

The tender examination and evaluation criteria that would be followed by the procuring entity should be disclosed in the invitation to tender.

Where possible a tender should be evaluated for technical qualification, followed by the financial evaluation.

Technical evaluation should be done by a Technical Evaluation Committee appointed for that purpose. The committee should be professionally qualified to rate all the tender offers in relation to quality and performance.

The Technical Committee should be furnished with the following by the Procurement Department:-

- i. Tender documents
- ii. Samples
- iii. Any literature received from tenderers
- iv. Qualification of candidates to participate in Public Procurement shall be based on the following criteria:-
 - Possession of the necessary professional and technical qualifications and competence;
 - Financial resources, equipment and other physical facilities;
 - Managerial capability, experience and personnel to perform the contract;
 - Legal capacity

In order to speed up tendering process to be in line with tender price validity, technical evaluation committee should be given a specific time frame within which to give its written and signed report.

5.3.2 (b) Confidentiality

During or after procurement proceedings, no procuring entity and no employee or agent shall disclose the following:-

- (a) Information relating to procurement whose disclosure would impede law enforcement or whose disclosure would not be in the public interest;
- (b) Information relating to procurement whose disclosure would prejudice legitimate commercial interests or inhibit fair competition;
- (c) Information relating to the evaluation, comparison or clarification or tenders, proposals or quotations; or
- (d) The contents of tenders, proposals or quotations.

5.4 Quotations

A procuring entity may use a request for quotations for procurement if:-

- (a) The procurement is for goods that are readily available and for which there is an established market; and
- (b) The estimated value of the goods being procured is less than or equal to the prescribed maximum value for using requests for quotations.

5.4.1 Direct Procurement

A procuring entity may use direct procurement if the following are satisfied:-

- (a) There is only one person who can supply the goods, works or services being procured; and
- (b) There is no reasonable alternative or substitute for the goods, works or services.

A procuring entity may use direct procurement if the following are satisfied:-

- i. There is an urgent need for the goods, works or services being procured;
- ii. Because of the urgency the other available methods of procurement are impractical;

- iii. The circumstances that gave rise to the urgency were not foreseeable and were not the result of dilatory conduct on the part of the procuring entity.
- iv. The total cost of the goods to be procured in bulk is below the Rwf 200,000 threshold as provided for under the Petty Cash Payments (Standing Imprest – Section 5.11)

5.4.2 Restricted Tendering

The procuring entity may use this method when:-

- (a) Competition for the contract, because of the complex or specialized nature of the goods, works or services, should be limited to qualified candidates;
- (b) The time and cost required to examine and evaluate a large number of tenders would be disproportionate to the value of the goods, works or services to be procured (Section 6.2 (iii)).

5.4.3 Request for Proposals

The procuring entity may use this method when it seeks to obtain consulting services for which open or restricted tendering is not suitable because of the difficulty in defining precisely the services.

The proposals shall be addressed to not less than three, and not more than seven candidates selected by the procuring entity.

The request for proposal shall contain at least the following information:-

- (a) Name and address of the procuring entity.
- (b) A description of the services required, normally through terms of reference.
- (c) Criteria for evaluating the proposals.
- (d) The place and deadline for the submission of proposals.
- (e) The candidates shall be given adequate time to prepare their proposals.
- (f) The place and deadline for submission of the proposals should be indicated.

Each procurement activity for goods, works and services should be assigned:-

- i. The responsible and relevant officials with appropriate training
- ii. Time within which it should be completed.
- iii. Appropriately equipped office.
- iv. Regular and up to date reports.

5.4.4 Institute Tender Committee

Membership Structure

Chairman: A designated member by the board of trustees

Deputy Chairman: The Head of Finance Department appointed in writing by the Vice-Chancellor.

Other members: Two Institution members appointed in writing by the Vice-Chancellor.

Secretary: The Officer heading the procurement unit of the Institute

The quorum of the tender committee shall be five members including the Chairman.

The Functions of the Tender Committee shall be to:-

- (a) Review, verify and ascertain that all procurement and disposal has been undertaken in accordance with the Public Procurement and Disposal policy, and the terms set out in the tender documents;
- (b) Approve the selection of the successful tender or proposal;

- (c) Award procurement contracts in accordance with thresholds prescribed in First Schedule;
- (d) Ensure that funds are available for the procurement under consideration;
- (e) Ensure that the procuring entity does not pay in excess of prevailing market prices;
- (f) Review and prove aggregation of procurements where proposed;
- (g) Review and approve the use of lots where packaging into lots has been proposed;
- (h) Review the selection of procurement method and where a procurement method, other than open tender, has been proposed, to ensure that the adoption of the other procurement method is in accordance with the Procurement and Disposal policy, and any government guidelines stipulation;
- (i) Approve the list of tenderers in cases of restricted tendering pursuant to regulation of the Public Procurement and Disposal policy;
- (j) Approve the list of persons qualified to submit proposals pursuant to the Public Procurement and Disposal policy;
- (k) Approve the list of persons to be given requests for quotations pursuant to regulation (Section 6.2
- (l) Approve negotiations under the Procurement and disposal policy and as may be stipulated by the Board;
- (m) Approve the amendment of contracts previously awarded by the Tender Committee, in accordance with the Procurement and disposal policy;
- (n) Review the quarterly reports on quotations that have been awarded by the Procurement Committee;
- (o) Undertake any other functions and duties as are provided under the Procurement and disposal policy or as may be stipulated by the Board.

5.4.5 Purchase Procedures

- (a) Whenever a department requires the use of certain goods or services it shall raise an internal stores received and issue note to procurement division if it believes the items are in store. Where the items are not in the warehouse, procurement division shall advise the department to fill a Request to Incur Expenditure (RIE) form.

This form shall be taken round by the user department to the relevant sections to confirm that the items/services were in the procurement plan and that they fall within the budgetary provision for the department for the year. The relevant approval according to the threshold levels is then granted on the RIE form. This RIE form is then used in the Procurement Office to raise a requisition note (to supplier).

- (b) Every requisition note shall be approved by the Head of Department before submission to the appropriate Finance Office. In case of requisition notes to be charged against donor-funded votes, the approval shall be from the project leader in conjunction with the Head of Department. Every requisition note shall indicate:-
 - i. The name of the supplier;
 - ii. The account code to be charged;
 - iii. That Request to Incur Expenditure from the account has been given by the Authorized Officer;
 - iv. That funds are available.

The requisition note shall be sent to the relevant Finance Office for processing.

- (c) Funds committed in all procurements must have been budgeted for.
 - (d) The respective Finance Office will commit funds in the vote and ensure strict compliance with the Institute procurement procedures.
 - (e) The authorized officer in charge of purchasing shall prepare and issue an L.P.O on the basis of the requisition note.
 - (f) Responsibility for initiating the need for the purchase of goods/services shall rest with the SIAS department, whereas the role of the procurement division will be to take charge of the actual process of acquiring the items.
 - (g) Direct procurement (single sourcing) may be applied:-
 - where only one candidate can supply or provide goods or services;
 - During times of emergency or disaster.
- Single sourcing should not be used to avoid possible competition or aid in discrimination among candidates.
- (h) The Institute shall not be bound for goods/services supplied without an official order.
 - (i) Payment for goods/services will only be made on receipt of duly certified invoices, supported with evidence of receipt of the goods/services.
 - (j) Certification of an account by a head of department shall mean:-
 - i. That the goods have been received, examined and approved as being in accordance with the specifications and that the prices are in accordance with the order or contract;
 - ii. (ii) That the work done or service rendered has been satisfactorily carried out and that, where applicable, the materials used were of the required standard;
 - iii. That the account is arithmetically accurate.
 - (k) Authority to approve procurement of goods and services shall be limited as follows:-
 - Head of Departments -up to RwF.1,000,000/=
 - DVC -up to RwF.5,000,000
 - VC/Chancellor -over RwF.5,000,000

However, the above ceilings are subject to review from time to time.

5.4.6 Receiving Procedures

Once Procurement Procedures are certified and a Local Purchase Order is issued, the supplier (vendor) is required to deliver the goods/services to the Central Stores/Warehouse. The following procedure is followed:-

- i. The delivery is checked against the L.P.O for confirmation that the specifications requested have been adhered to.
- ii. If goods are acceptable in terms of quality, quantity and specifications then the delivery note is signed by an authorized officer in the receiving department.
- iii. The goods are then stored in an appropriate place in the store.
- iv. A Store Received Note (SRN) is raised by the Stores and is subsequently attached to the invoice and Delivery Note.
- v. The store personnel then certify the invoices for the following aspects:-
 - (a) Calculations and cross costs.
 - (b) Vote allocation.
 - (c) Confirmation that the L.P.O tallies with the order just received.
 - (d) Head of Department receiving the goods then approves the invoice for payment.

The procurement process will be considered complete once the supplier has been paid.

5.4.7 Issuing Procedures

Each department will be required to file with the Store/Warehouse its procurement plans. The stores, using the approved procurement method, will make necessary orders based on each particular procurement plan.

Whenever a department requires any goods or services the following procedure will be followed:-

(a) The department will raise an Internal Stores Requisition Note. The Internal Stores Requisition Note will detail the goods being requested, quality, quantity and other specifications.

(b) The Internal Stores Requisition Note will require the following approvals before submission to the Stores/Warehouse:-

Approval by the Head of Department requesting for goods;

- i. In cases of donor funded projects approval by the Head of the Research (Project Leader);
- ii. Confirmation from Budgetary Section that funds are available from the account code to be debited and from Grants Section in case of donor funded projects;
- iii. The Internal Stores Requisition will then be sent to Audit for pre-auditing before it is presented to the Stores/Warehouse for issue of goods;
- iv. Once the goods have been issued the stores personnel will post the relevant Bin Cards and then send a copy of the Internal Stores Requisition Note for posting in Finance Department.

5.5 Stocks and Stores Accounts

The Finance Department shall be responsible for proper accounting for stocks and stores. Departmental stores should requisition for items required by the departments. The following stores procedures shall apply:-

(a) All requisitions for stores shall be on the prescribed Internal Stores Requisition and Issue Notes:-

(b) All departments shall be answerable to the Finance Department for the custody and proper accounting of stocks and stores under their charge and shall implement all stores procedures;

(c) The stores shall maintain adequate records for stock control such as Stock Control Ledger and bin cards;

(d) All goods shall be inspected by the Inspection Committee Officers to determine compliance with quality and quantity specifications;

(e) A delivery note signed by the storekeeper or any other authorized officer receiving goods shall accompany any invoice submitted for payment. The delivery note shall be signed at the time of delivery of goods;

(f) A Stores Issue Note shall accompany all goods from the store;

(g) All receipts and issues of stores must be recorded in the Stores/Ledger/Bin Cards immediately after each transaction takes place;

(h) There shall be regular stock counts by the Storekeeper or Senior Accountant in charge. Any discrepancies between the physical stock and the bin cards shall be investigated for appropriate action;

(i) There shall be an annual stock-taking at the end of every financial year; the result shall be incorporated in the annual accounts. An independent officer together with the Internal Auditor shall attend and participate in the annual stock-taking.

5.6 Other Rules to Note on Public Procurement Rules and Regulations

- (a) Public Procurement records must be kept for a period of 6 years from the date any procurement proceedings has been concluded or as per donor regulations for donor-funded projects.
- (b) Record of proceedings can be made available to participating candidates who participated but information given should be restricted to summaries.

Chapter 6: Income

The main source of income for the SIAS is capitation from the Institute Promoters. Other income includes tuition and other fees, research grants and donations, and income from Income Generating Units (I.G.U.s).

All income received must be receipted on the official SIAS receipts.

6.1 Cash Collections

- (a) All cash revenue received shall be banked intact and promptly.
- (b) Tuition and other fees shall only be received in form of bank slips, banker's cheques or through credit transfers.
- (c) Collection in form of cash should be discouraged except in circumstances where collection in this form is inevitable.
- (d) Payments out of cash collection are strictly prohibited.
- (e) Encashment of personal cheques shall not be allowed.
- (f) The receiving cashier shall at all times maintain only one receipt book, which must be surrendered before obtaining another one.
- (g) There will be regular random checks by section heads on all receipt books in use by cashiers.
- (h) There shall be a register for all official receipt books maintained by Audit Department.
- (i) Regular checks shall be carried out by internal auditors on all receipt books in use by cashiers.
- (j) Where manual receipts are issued the receiving cashier shall at all times maintain only one receipt book which must be surrendered before obtaining another one. Same as the cases of manual system, electronic receipts shall be accounted for.
- (k) There shall be daily checks by Section Heads on all revenue collected by cashiers.
- (l) Internal Audit shall carry out regular checks on all aspects of revenue collection.
- (m) Director of Finance and Administration and Chief Accountant/Internal Auditor, shall regularly check the receipts registers and cash books as to the accuracy of posting and banking on a daily basis. Any shortages or surplus shall be investigated and necessary action taken.
- (n) An up-to-date cash book shall be maintained at all times.

Where revenue is received through banking in slip, it shall be the duty of receiving officer to ensure the slip is genuine before issuing the receipt.

Where revenue is received through direct credits to the bank, the receiving officer shall ensure that,

- i. The bank statements are checked daily for such credits.
- ii. Shall ensure that the remitter is identified and is issued with a receipt in acknowledgement.
- iii. Correct beneficiary is identified and official records updated.

6.2 Safes and Cash Boxes

- (a) All cash including cheques shall be kept in cash boxes or safes depending on the value and risk.
- (b) The safebox shall have at least two different locks, which shall be kept by two senior officers.

6.3 Loss of Accountable Documents

Any loss of accountable documents shall be reported immediately to the Chief Security Officer, Finance Officer, or the Director of Finance and Administration and, if need be, especially where there is loss of money, the police. The investigations will be carried out by the police, security and Internal Audit Department.

6.4 Debtors Ledger

There shall be a debtors control section in each finance office. The Senior Accountant, Bursar or Accountant (including SMUs) shall ensure that an up to date debtor's ledger is maintained and regularly reconciled.

6.5 Credit Control

The Institute shall establish a credit control system within the finance office for effective debt management. The credit control office shall operate independently and ensure prompt recovery of all Institute debts. Any unrecoverable debts shall be referred to the legal office for effecting the process of litigation.

6.6 Cash Survey

For the purpose of preparing final accounts cash survey shall be conducted at the beginning of each financial year before commencement of normal business.

6.7 Blank and Paid Cheques

- (a) All blank cheques shall be kept under lock and key and shall be under the custody of a Director of Finance & Administration, Chief Accountant or any other designated officer.
- (b) An up-to-date register indicating all receipts and issues of blank cheques shall be maintained by the custodian of such cheques.
- (c) Collection of blank cheques from the bank shall be done by two senior officials one of whom must be a signatory of the bank account.
- (d) All issues of blank cheques to the cashiers/accountants shall be recorded in the blank cheques register, and acknowledged by the person collecting them.
- (e) Paid cheques files shall be maintained by the SIAS Chief Accountant/Bursar, or any other designated officer of the Institute.

6.8 Dishonoured Cheques

- (a) A register for dishonoured cheques shall be maintained.
- (b) When a cheque is dishonoured, the cash book shall be credited immediately and other necessary entries effected.
- (c) The drawer(s) of dishonoured cheque(s) shall be informed for immediate cash replacement.
- (d) Dishonoured cheques shall be referred to the credit control department for recovery.
- (e) Any unrecoverable debts shall be referred to the legal officer for effecting the process of litigation.
- (f) All costs, including bank charges, associated with replacement of a dishonoured cheque shall be borne by the drawer.

6.9 Bank Accounts

- (a) There shall be a committee for vetting requests for opening new bank accounts which shall make recommendations to the Accounting Officer of the Institute. This shall apply to the mainstream Institute, its subsidiaries and projects. The committee shall comprise the Procurement director, the Director of Finance and Administration, the relevant Head of Department and any other officer(s) appointed by the Vice-Chancellor. Bank accounts shall only be opened with the approval of the Vice-Chancellor.
- (b) The signatories of the Institute bank accounts shall be
- ❖ The Vice-Chancellor,
 - ❖ Deputy Vice-Chancellor(Administration & Finance),
 - ❖ Deputy Vice- Chancellor(Academic Affairs),
 - ❖ Administration Registrar,
 - ❖ The Director of Finance & Administration. (Mandatory)
 - ❖ Director of Human Resources (Approvals ONLY) for Wages and Salaries

In all cases the signature of the Director of Finance and Administration or his Deputy shall be mandatory.

- (c) The SIAS Finance Officer, Deputy Director of Finance and Bursar shall maintain records of all bank accounts opened in their areas of operation. In all cases the Finance Officer shall have administrative authority over the management of those accounts.
- (d) Bank statements and credit/debit advices shall be collected from the bank by an officer other than the cashier on daily basis.
- (e) Scrutiny of the entries in the bank statements shall be carried out daily where possible by a SIAS Senior Accountant, Accountant, Bursar immediately upon receipt of the statements and investigations shall be instituted on any suspicious entries
- (f) Preparation of bank reconciliations shall be done by Designated Officers and shall be checked by Senior Accountants/SIAS Bursars. The Internal Auditors shall independently check the bank reconciliations.
- (g) Bank reconciliations shall be prepared on a monthly basis, and copies shall be distributed to Finance Officer.

6.10 Accounting for Income

The Income Section and all sections dealing with collection of revenue shall process Credit Voucher (CV's) showing a summary of each day's collections and ensure they are posted into accounting system.

6.11 Security Precautions

There shall be at all times adequate security arrangements in respect of SIAS property including cash in hand. This may, where necessary, include securing the services of Rwanda Police or a competent insured security firm to assist the regular internal security personnel.

Chapter 7: Students Finance

Every person who wishes to be registered as a student for a degree, diploma, certificate or other award of the SIAS shall pay the Institute registration fees, tuition fees and such other fees as the council may from time to time determine.

7.1 Collection of Fees

(a) The responsibility for the actual collection of fees rests with the Director of Finance and Administration.

Director of Finance and Administration will ensure that all fees due are fully collected and accounted for.

The Deputy Vice Chancellor Academic Affairs, Deans, Directors of Schools and Institutes and Head of Departments should ensure that no student gets service by attending classes or taking exams when they have not paid the fees due. To fulfill this requirement, they are at liberty to mobilize the resources and staff that work under them. It is irregular for any member of staff to teach or offer any other services to any student who has not paid.

(b) The Institute shall have the right to withhold:-

- i. Registration for courses;
- ii. Attendance of classes;
- iii. Assessment ;
- iv. Release of results; and
- v. Conferment of any degree, certificate or award, until any outstanding fees are settled.

(c) All tuition and other fees payable by or in respect of students shall be paid into respective department fees account, and any other office having such responsibility. SIAS Bursars shall deal with all students finance matters in their respective departments.

7.2 Postgraduate Students

Postgraduate students' financial records shall specifically be maintained by the Students Finance Section. Postgraduate students are either sponsored by SIAS or by other sponsors.

(a) SIAS Sponsored Postgraduate Students

Any student awarded the SIAS scholarship shall upon acceptance of such scholarship be entitled to disbursements of allowances as stipulated in the Scholarship Award Letter, and as per the following conditions:-

- i. First year students shall be paid their stipend on the strength of SIAS scholarship award letters, together with the staff movement advices from the relevant departments.
- ii. A student's stipend shall be stopped when a Staff Movement Advice is received from the Department of Postgraduate Studies that the student is absent from classes.

- iii. Students shall be paid book and research allowances which shall be accounted for in accordance with Institute advance accounting procedures, and no advances shall be allowed unless previous ones have been accounted for.
- iv. SIAS sponsored students shall pay non-tuition items to SIAS Fees Collection Account.
- v. SIAS sponsored students shall be paid second year stipend and other allowances on condition:
 - a. That scholarship has been renewed;
 - b. That they have paid non-tuition items for second year.

(b) Privately Sponsored Students

- i. Privately sponsored students shall pay Institute fees to SIAS fees Account.
- ii. (ii) Each SIAS departments shall provide periodic reports on fees collection to the Finance Officer.
- iii. Privately sponsored students shall be paid stipend, research and book allowances when:-
 - a. The allowances have been remitted to the Institute;
 - b. The letters of sponsorship clearly specify the entitlements.
- (ii) The allowances shall be stopped:-
 - (a) When the department issues a Staff Movement Advice;
 - (b) When the funds for stipend, research and books are fully utilized.

8.3 Refunds

Fees refunds are made as per the SIAS policy as follows:-

- i. When students have cleared and graduated and any excess fees originates from the students.
- ii. Excess fees arising from bursaries, donations, and Sponsor are paid back to source.
- iii. Excess fees for students may be considered for transfer to the bookshop or next academic semester/year.

Chapter 8: Fixed Assets and Insurance

8.1 Fixed Assets Register

(a) A computerized Fixed Assets Register shall be maintained by the Director of Finance & Administration, SIAS Internal Auditors and Bursars. Additions to the fixed assets during the year shall include purchased and donated items and shall be recorded in the register.

(b) Adequate disclosure as to the nature of the assets, the costs, proper description and conditions shall be indicated.

(c) For fixed assets disposed off the related costs and accumulated depreciation shall be dealt with appropriately in the annual accounts and in the fixed assets register.

8.2 Each office shall keep and maintain at all times an inventory of all assets therein.

8.3 Identification of Fixed Assets

All items of fixed assets shall be given an identification number, which shall be marked on them. The computerized register shall be up dated with numbers of new items.

8.4 Custody of Certificates for Fixed Assets

All title documents in respect to fixed assets of the Institute shall be kept in custody of a Institute appointed custodian. The custodian, which shall be one of the Institute banks, shall be appointed by the Institute Board.

8.5 Service contracts for Fixed Assets

Certain items of fixed assets shall require to be on annual service contracts. Service contracts proposals shall be submitted to the Institute Legal Officer for legal advice before the contract is entered into. The Deputy Vice- Chancellor (A&F), in case of Central Administration, and Deans of Department shall sign the contracts.

8.6 Work-in-Progress

The Heads of user departments shall duly certify documents for payment. Uncompleted works in respect of construction shall normally be included in the annual accounts as work-in- progress. A schedule/statement of work-in-progress as per the professional certificates shall be prepared by Finance Department at the end of each financial year. This shall cover all the ongoing capital projects.

8.7 Insurance of Assets

It is the SIAS policy to insure its assets inclusive of motor vehicles, buildings, equipment and cash in transit. All insurance covers shall be awarded through the SIAS tender system. For the time being insurance matters are dealt with centrally.

8.8 Insurance Covers

(a) Motor Vehicle Insurance

All SIAS motor vehicles shall have comprehensive insurance covers. In all cases the insurance cover shall be renewed promptly on expiry.

(b) Life Assurance Cover for all Institute Employees

There shall be an insurance cover for all Institute employees who meet death or accident while on official duty. The methods and rates of compensation applied shall be as per the insurance policy.

(c) Other Insurance Covers shall include:-

- i. Fidelity Insurance Cover;
- ii. Public Liability;
- iii. Employees;
- iv. Fire & Burglary.

8.9 Management of Insurance Policies

The Chief Accountant shall be responsible for:-

- i. Proper maintenance of insurance records;
- ii. Custody of insurance policies and other insurance documents;
- iii. Evaluation of insurance requirements and submission of the same to the secretary of the tender committee.
- iv. Processing and remittance of insurance premiums as per policy;
- v. Follow-up of outstanding insurance claims.

8.10 Insurance Claims

Where a loss occurs which is likely to lead to an insurance claim the user department shall promptly report not later than 24 hours to the Senior Accountant, Capital Section. The Senior Accountant shall promptly report the loss to the insurance company within 48 hours from the occurrence of event

Chapter 9: Losses, Write Offs And Disposals

9.1 Losses

Losses refer to:-

- (a) Loss of finances, e.g cash, cheques, government securities, investment certificates and precious metals such as gold;
- (b) Loss of other assets such as equipment (e.g computers, typewriters, furniture and fittings);
- (c) Theft of stores and other items;
- (d) Loss of vehicles, plant and machinery due to theft;
- (e) Damage to movable and immovable property excluding normal wear and tear;
- (f) Loss of monies due to non-collection;
- (g) Payments and compensations to third parties arising from vehicle and other accidents, litigation claims, professional fees and fines to the extent that these are not recoverable from the insurers or other third parties.
- (h) Unauthorized use of stores, vehicles, buildings, equipment or other property;
- (i) All other losses including those due to rapid obsolescence of equipment and inventories;
- (j) Payments made or liabilities incurred without or in excess of any statutory, administrative, or any other authority, and similar payments arising from incorrect certificates, and irregular or excess issues of stores or rations.

9.2 Reporting of Losses

When a loss is discovered a report shall be made to the Chairman/Head of Department with copies to the Deputy Vice-Chancellor (A&F), Director of Finance and Administration and the Chief Security Officer.

In all cases an investigation will be instituted by the relevant investigating body, e.g Internal Audit, and the Security Section where necessary.

9.3 Write Offs

Write-offs refer to approval to charge losses to the respective expenditure votes. The write-offs shall be incorporated in the financial statements. No write-offs shall be made except with the approval of the SIAS Board.

9.4 Disposal

- (a) Disposal refers to sale or discarding of obsolete, damaged or otherwise unserviceable items which are no longer required by the Institute.
- (b) Departments shall identify assets belonging to this category and seek authority from Deputy Vice-Chancellor (A&F) for disposal. Where authority is granted, the Deputy Vice-Chancellor (A&F) shall constitute a disposal committee which shall include external experts where necessary, a representative from the SIAS department, Internal Audit and Finance Department.
- (c) For consumables or perishable items, the Chairman/Head of Department in consultation with finance and audit, shall decide the most appropriate disposal action. Technical personnel may be invited where necessary.

(d) All other immovable property of the Institute shall not be sold or otherwise disposed of without the authority of the SIAS Board of Directors.

9.5 Disposal of Accountable Documents

Accounting records and other accountable documents may be disposed of after six years from the date of issue or after a longer period as the SIAS may deem necessary. However soft copies may be retained as long as technology allows.

Chapter 10: Investment of Funds

The SIAS Strategic Plan provides that:-

- (1) A SIAS may invest any of its funds in securities in which for the time being SIAS board of trustees 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) A SIAS may, subject to the approval of the Treasury or any other authorized body, place on deposit with such bank or banks as the SIAS may determine, any monies not immediately required for the purposes of the Institute.

Whenever such funds are available for investment the Institute may consider the Most reliable and viable investment options as follows:-

- (a) Financial institutions;
 - (b) Government securities;
 - (c) Public quoted companies.
- (3) There shall be an investment committee constituted by the Vice-Chancellor to develop and determine policy and operational guidelines with respect to investments for execution by the Finance Office. Investment funds shall include those of SIAS Projects, IGUs, other subsidiaries, besides students Guild, and Bookshop.

10.1 Factors to be considered before Investment is placed

- (a) Stability of the firms;
- (b) Institute's past experience with the institution.
- (c) Rates of interest prevailing in the market;
- (d) The amount of the surplus being invested;
- (e) Accessibility to the funds, when required.

10.2 Accounting for Investments

- (a) Every investment shall have its own records;
- (b) An up-to-date investment register shall be maintained;
- (c) The investment certificates shall be under lock and key;
- (d) Regular follow up of investments shall be done so as to re-invest or recall the investment when due.
- (e) Proper accounts shall be maintained for the investments.

10.3 Investment Losses

- (a) Where investments are irrecoverable the same shall be referred to the credit controller for follow-up. However where litigation is necessary the matter shall be forwarded to the Legal Office.
- (b) Where losses are incurred through investments, necessary provision shall be made in the accounts.

Chapter 11: SIAS Institute Financial Set-Up

Institute programs will be established in accordance with SIAS Strategic Plan.

Following the establishment of the Institute, administrative and accounting functions will be decentralized to Departments level.

The Departments have both finance and audit functions which provide professional guidance on financial matters.

11.1 Finance Section

This Section shall have the responsibility of formulating and implementing sound financial controls for the Department. It shall ensure effective and efficient management of Department Financial Resources. The Department Bursar shall be the Head of the Department accounting functions and shall be answerable to the Director of Finance and Administration (professionally) and to the Principal (administratively). He shall be assisted by other accounts staff.

11.2 Duties of Department Bursar

The Department Bursar shall:-

- (a) Maintain adequate ICT based FIMS embracing the whole of the financial operations of the Department.
- (b) Exercise supervision and control of accounting systems in the Departments, Schools, Institutes and Faculties;
- (c) Implement effective financial and procurement control systems.
- (d) Prepare detailed monthly Reports which should include all income, all investments, all debtors, all creditors and bank balances. These reports should also cover IGU operations;
- (e) Ensure that all income and expenditure relating to income generating activities of the Department are operated in accordance with approved policies and regulations.
- (f) Provide professional advice and guidance to the Department Administration and Departments;
- (g) Prepare the Department Annual Estimates in conjunction with the SIAS budget committee, that would include the Vice Chancellor for A&F and the Heads of Departments. The he/she submit these estimates to the Central Administration within the deadlines laid down from time to time;
- (h) Maintain a budgetary control system within the SIAS ensuring that no expenditure for which there is no provision in the approved estimates and procurement plan is incurred without authority of the Accounting Officer;

With respect to revenue, expenditure and bank accounts, the Bursar shall be responsible for ensuring the following:-

(a) Revenue

- (i) In conjunction with the Chairmen/Heads of Departments or Directors of Institutes and Schools, ensure that adequate arrangements are made for:-
 - The Financial organization and accounting records necessary to ensure the proper recording of all sums due to the department.
 - Collection, control and proper accounting for all cash including fees in all departments and income generating units of each department;

- (i) All monies received on behalf of the Department by the cashier or other authorized employee of the Institute is immediately receipted;
- (ii) Every transfer of monies received on behalf of the Institute from one employee to another shall be immediately receipted;
- (iii) Appropriate steps to collect sums due to the Department are taken and regular reports/debtors statements submitted to the Director of Finance and Administration;
- (iv) An up-to-date debtors ledger is maintained;
- (v) All money received in by the department shall be transferred on same day to accountant and shall be banked promptly;
- (vi) Independent and effective checks of cash balances in the hands of the cashier(s) are conducted;
- (vii) A cash and cheques register for recording all remittances received shall be maintained to monitor the effectiveness of the cost centres and their capacity for income generation.

(b) Expenditure

- (i) All payments processed through the cash books are genuine in all respects and are duly approved for payment by the authorized officer such as the SIAS VC-A&F, Dean, Registrars, Chairman of Department, Director of Institute/School or senior member of staff in charge of a research grant.
- (ii) The cashier's duties include:-
 - Up-dating the Cash Book daily;
 - Dispatching cheques promptly;
 - Closing the imprest cash book and preparing reimbursement claims fully supported;
 - Paying fully processed and pre-audited vouchers;
 - Maintaining a dishonoured cheques register;
 - Collecting cash, receipting and promptly banking of all income.

(c) Bank Accounts

- (i) The SIAS Bursar is responsible for ensuring that SIAS bank accounts, including account of income generating units are operated properly within Institute policies and regulations.
- (ii) The SIAS Bursar shall ensure that bank reconciliation statement, duly supported with bank statements and cash book balances, are prepared and audited monthly. The reconciliation statements shall be submitted to the Principal, who shall in turn furnish copies to the following:-
 - (a) Deputy Vice-Chancellor (A&F);
 - (b) The Director of Finance and Administration.
- (iii) The bank account signatories shall be the SIAS Founder, or Chancellor, or Vice Chancellor and the DVC-F&A. It might include the SIAS Bursar and the Administration Registrar. The signing mandate of the bank accounts shall, or might also include SIAS joint accounts and projects.

11.3 SIAS Internal Audit

The Internal Auditor of SIAS is responsible for reviewing internal control systems established by the Institute in order to examine, evaluate and report on the accounting and other controls regarding the operations of the SIAS management, faculties, departments, schools and income generating units.

11.4 Duties of SIAS Internal Auditor/Chief Accountant

The duties of the SIAS Internal Auditor shall include:-

- (a) Auditing all revenue collections in SIAS and ensuring that the accounting and banking responsibilities thereon are appropriately implemented;
- (b) Auditing all procurement documents and payment vouchers, ensuring that Institute policies and guidelines are complied with. These would include being a member of Inspection and Acceptance Committee for goods and services;
- (c) Auditing bank reconciliation statements and other management reports emanating from the SIAS before they are released;
- (d) Issuance and control of accountable documents e.g. receipt of books, L.P.O's and Stores Requisition Notes;
- (e) Undertaking special investigations as well as risk assessment operations of the systems on behalf of the Institute Management;
- (f) Auditing stores and ensuring that stores accounting and control measures are operational in departments, faculties, centres in SIAS;
- (g) Instituting surprise checks over all cashiers undertaking payments and revenue collection in SIAS;
- (h) Participating in end of year board of Survey and stock taking in conjunction with SIAS Bursar, Registrar and the external auditors;
- (i) Regular financial appraisals of IGU's to determine their cost effectiveness.

Chapter 12: Subsidiary Companies

The SIAS may incorporate subsidiary companies. The Institute shall exercise control over partially or wholly owned companies in pursuance of its objectives to ensure preservation and enhancement of its investments.

As separate legal entities, these companies shall draw their mandates from the companies Act, and their memorandum and articles of association in pursuance of the objectives for which they are set by the Institute. Subsidiary companies shall be run by boards of directors appointed by the Institute Council. Financial Regulations applicable to subsidiary companies shall be in compliance with the SIAS Financial Regulations. In particular, regulations in respect of:-

- Capital Development
- Investment
- Procurement

Shall be in accordance with the SIAS Statutes, the SIAS Strategic Plan, the procurement and disposal policy and any other statutory guidelines as issued from time to time.

Revenues, income, fees, accruals and all other receivable accruing to the subsidiary companies shall be subjected to the procedures outlined in Chapter 7 of the Financial Regulations.

All other expenditure incurred by the subsidiary companies shall be in accordance with

Appendix

Appendix (1) Foreign Exchange

- The common currency used in SIAS is Rwandan Francs. Bank accounts are to be maintained in Rwandan Francs and in the investor recommended currency per investment
- Disbursements made in US Dollars shall be converted to Rwandan Francs at the actual adjusted value rate established each time US Dollars are transferred into the Rwandan Francs checking account provided it is in accordance with investor foreign exchange regulations and/or **GAAP**.
- When receiving debit and credit memos from other inter-organizations the approved monthly fixed rates of exchange published by the Board (rate fixed by the Board and updated on Quarterly basis) shall be used.
- Current rate transactions (official published exchange rates) will be used for the following types of transactions:
 - Sale and purchase of currencies.
 - Deposits received from or cash advances to employees while outside of the Country in which they reside.
 - Reporting travel expenses when incurred in currency other than that in which the employee is paid.
 - Any other transaction not specifically covered elsewhere in this policy.

Appendix (2) ASSET MANAGEMENT

1.1 Asset Management and Safeguarding

All assets and equipment shall be properly managed and safeguarded. It shall consist of the following responsibilities:

- Maintaining a register with a full inventory of all vehicles, major equipment and property resources.
- Ensuring that all assets are properly labeled in order to link the asset with the appropriate register and accounting documents.
- Performing regular periodic inventories of assets, recording their location and their condition.
- Ensuring that proper systems are set up for tracking major supplies and their use.
- Obtaining all necessary permits, licensing, and other legal documentation necessary to legally own and operate resources by the Institute.
- Maintaining all vehicles and equipment in a condition sufficient to efficiently perform their necessary functions.

Rules:

- The responsibility for maintaining and safeguarding the resources of SIAS is assigned to the DVC-F&A, DVC-AA, Director of Finance & Administration Director for investments.

1.2 Capitalization policy

1.2.1 Asset Register

All equipment purchased for more than \$500.00 or its equivalent in local currency and having a useful life of more than 1 year shall be recorded as fixed assets unless restricted otherwise by the investor. All other equipment shall be expensed in the year they were purchased.

Fixed assets shall be recorded in a Fixed Asset Register at historical costs. The asset register shall be sufficiently detailed to provide a history of all purchases until they have been disposed of. These details shall include at a minimum: the identification number, the description of the asset, the purchase date, the purchase price, the voucher number, the useful life, the location, the accumulated depreciation and the current book value.

1.2.2 Depreciation

All Administration assets shall be depreciated using the straight line depreciation method.

Rules:

- The period of depreciation shall depend on the type of equipment:
 - Computers : 2 years
 - Vehicles: 7 years for brand new vehicles; 5 years for reconditioned vehicles
 - Office equipment: 3 years
 - Office furniture: 5 years

- Should another period be deemed necessary, it shall be documented and authorized by the Board.
- The depreciation is posted in the accounting ledger at the end of the year.

1.2.3 Revaluation

An assessment of the carrying values of the assets shall be conducted on a yearly basis to ensure that none of them are stated in excess of their recoverable amount.

Rules:

- The assessment of the carrying value of the asset shall be made by comparing it to the fair market value for that asset.
- Shall there be a significant difference; the carrying value of the asset shall be revaluated by increasing or decreasing the depreciation. This revaluation shall be approved by the Board.

1.3 Non-Capitalized Equipment

All equipment purchased at a value greater than \$100 or its equivalent in local currency and having a useful life of more than 1 year shall be recorded in an Equipment Register for inventory tracking purposes.

1.4 Labeling

All items listed in the Fixed Asset Register and Equipment Register shall be appropriately labeled with SIAS labels noting their identification number, location and condition.

1.5 Insurance

All capitalized assets shall be insured and/or considered as part of the depreciation plan.

Rules:

- The adequacy of coverage shall be the responsibility of the Director of Finance & Administration.
- A list of assets covered by insurance shall be maintained and updated. The insurer shall immediately be notified of any changes.
- Assets shall be insured at replacement value.

1.6 Physical Inventories

A physical inventory of all equipment listed in the Fixed Asset Register and Equipment Register shall be performed at least once every year.

Rules:

- As much as possible, the inventory shall be performed by a person not having direct responsibility for the equipment.
- The record of the inventory shall be maintained with the Fixed Asset Register and Equipment Register

1.7 Asset Disposal

Equipment shall remain on the asset register until it has been fully depreciated. At such time the Board shall decide whether the asset should stay in the asset register, be sold or be donated.

2.0 Procedures:

Asset lost, stolen, destroyed or discarded.

- ❖ If the asset is lost, stolen, destroyed, or discarded, a voucher shall be prepared to credit the asset account and charge the accumulated depreciation account for the respective balances relating to that asset as documented in the depreciation schedule.
- ❖ The offsetting remaining book value will be charged to an appropriate loss account.
- ❖ Any depreciation incurred for the year should be recognized prior to writing the asset off. In the year following recognition of the loss, the item should be removed from the register.
- ❖ In the year of disposal, a notation should be made on the Fixed Asset Register.

Asset sold

- ❖ If the asset is sold, the proceeds shall be debited to the Bank account (or an appropriate receivable if applicable), and credit to the asset and a charge to accumulated depreciation.
- ❖ The Director of Finance & Administration shall ensure that any current-year depreciation has been recognized first. The difference between the net book value and the proceeds from sale shall be recognized as a gain or loss on sale of assets.
- ❖ A notation shall be made in the equipment register of the sale and the proceeds received.
- ❖ In the year following the sale, the item should be removed from the register.

3.0 Personal Service Agreements

The Personal Service Agreement ("PSA") is used to contract for the provision of personal services by independent contractors. The PSA is neither to be utilized in connection with the hiring of SIAS employees or temporary staff, nor to compensate contractors for work which has been recognized as belonging to one of the collective bargaining units within SIAS.


VERSION CONTROL

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APPROVAL FORM

Checked by:

Signature:



DR. Donya Ahmed
Vice Chancellor
Socioeconomic Institute for Advanced Studies

Approved by:

Signature:



DR. Mohamed Buhiji
Founder & Chairman of the Board of Trustees
Socioeconomic Institute for Advanced Studies

