



REDESO
Relief to Development Society

RELIEF TO DEVELOPMENT SOCIETY (REDESO)

Financial Regulations and Manual

September 2020

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LIST OF ACRONYMS

A/C	Account
AO	Accounting Officer
APP	Annual Procurement Plan
CCO	Cost Centre Officers
CEO	Chief Executive officer
DCEO	Deputy Chief Executive Officer
DSA	Daily Subsistence Allowance
FAMO	Fixed Assets Movement Order
FMIS	Financial Management Information System
GRN	Goods Received Note
HR	Human Resources
LPO	Local Purchase Order
M&E	Monitoring and Evaluation
NBAA	National Board of Accountants and Auditors
NNGO	National Non-Governmental Organisation
PAYE	Pay As You Earn
PO	Purchase Order
REDESO	Relief to Development Society Organisation
SDL	Skills Development Levy
TZS	Tanzania Shillings
UNHCR	United Nations High commissioner for Refugees
VAT	Value Added Tax
WCF	Workman Compensation Fund
WHT	Withholding Tax

PREFACE

These financial regulations and manual set out a broad framework of financial management systems, controls, procedures which lay down the power, authority and responsibility of officers to administer, regulate, monitor and control financial transactions (revenue and expenditure), incur financial commitments and authorize payments specifying their limits in order to ensure that financial resources are effectively and efficiently utilized and managed.

The regulations are supplemented by more detailed procedural instructions covering specific aspects of the financial operations and the supporting financial information systems, such as procurement, staff regulations and manual. The regulations translate into practical guidance of the broad policies relating to financial controls at Relief to Development Society (REDESO).

Compliance with the financial regulations is compulsory for all staff. Each member of staff will have access to a copy of the Financial Regulations and these Financial Regulations must be strictly adhered to. A member of staff who fails to comply with these Financial Regulations will have to be subjected to disciplinary action under the REDESO's staff disciplinary policy. Any breach will be notified to the Management Committee of the Governing Board of REDESO.

It is the responsibility of the Head of Finance to ensure that REDESO's staff are made aware of the existence and contents of the financial regulations and that an adequate number of copies are available for reference.

The Management Committee is responsible for maintaining a continuous review of these Financial Regulations.

The currently updated Financial Regulations (June 2020) have been prepared as a review exercise for the existing financial regulations that have been in operations since 2005. In updating these regulations the following activities and tasks were undertaken:

- Reviewed governance structure, rules, policies, roles and responsibilities, accountability and responsibility for overall financial management of REDESO;
- Reviewed procedures and controls for financial management, processing, accounting and recording of financial transactions and preparation of financial reports.
- Reviewed the existing financial regulations in relation to the best practices and identify gaps for improved overall financial management practices;
- Updated the existing financial regulations taking into account the above reviews.

These regulations have been updated by REDESO in support of **Crown Associates** of Dar es Salaam, Tanzania. Following the updates, the Consultant developed and conducted training programme that was delivered to the Governing Board and REDESO staff on **9th - 10th September 2020**.

The Governing Board approved these Financial Regulations (2020) on **xx September 2020**, 2020 and they became operational with effect from **xx September 2020**.

ACKNOWLEDGEMENT

REDESO is very grateful to UNHCR and would wish to acknowledge the Budget Support from the Agency for financing this activity.

1 PRELIMINARY PROVISIONS

1.1 INTRODUCTION

- 1.1.1 Relief to Development Society (REDESO) is a National Non-Governmental Organization (NNGO), registered under the Non-Governmental Organization Act, 2002 with registration number 1466.
- 1.1.2 REDESO is an independent entity capable of suing or being sued in its name and may borrow money, acquire and dispose of assets and do all such other things as an entity may law-fully do.
- 1.1.3 REDESO shall enter into partnership with various Development Partners including the Government of the United Republic of Tanzania, local and international partners to develop and promote various community development programs in the country.
- 1.1.4 Pursuant to **Article 3** of the Constitution of REDESO, the main functions of the Association are to:
- (a) Promote any charitable services and development schemes in Tanzania and elsewhere and in particular, providing relief to disaster affected areas and after the provision of such relief promote development scheme such as poverty alleviation, relief to distress advancement of health education and furtherance of any other activities aiming at furtherance of sustainable development in those areas with special consideration to the vulnerable groups.
 - (b) Promote environmental rehabilitation to disaster-affected areas with a view to prevent further environmental degradation and restore the displaced people to an environmentally conducive life.
 - (c) Act as soon as possible, to any kind of disasters taking place in Tanzania or elsewhere either alone or in collaboration with any Charitable Institutions or any other authorities executing similar goals.
 - (d) Represent International Organizations by providing relief to victims of man-made disasters such as war and victims of natural disasters such as flood, earthquake, hurricane, fire, deadly diseases, famine etc.
 - (e) Establish or maintain Institutions such as Hospital, Schools, Water supplies, and houses, orphanages, soup kitchens, home for working volunteer's etc. intended to relieve various forms of poverty and distress;
 - (f) Promote, encourage, or undertake organized research and experimental work on the provision of relief to areas affected by

disasters and the relevant strategies to reconstruct and develop those areas.

- (g) Write and print, publish, issue and circulate gratuitously or otherwise any report or periodicals, books, pamphlets, leaflets, or other documents in furtherance of the above purposes.
- (h) Promote and organize co-operation in the achievement of the above purposes and to that end to bring together the members of the association and other charitable Institutions and other authority (s) and voluntary organizations engaged in the furtherance of the above purposes.
- (i) Obtain, collect and receive money and funds by way of contribution, donations, affiliation fees, subscriptions, legacies, grant and other lawful method, and accept and receive gifts of property of any description.
- (j) Establish and promote Income generating activities with a view to earn funds to sustain the objectives/functions of the Association.
- (k) Do all such other things as are incidental or conducive to the attainment of the above objectives or any of them.

1.2 TITLE AND DATE OF OPERATION

1.2.1 These financial regulations are proposed to be used by the Relief to Development Society (REDESO) and shall be cited as **Financial Regulations**. The regulations shall operate to regulate all financial management processes and procedures of.

1.2.2 The Regulations shall apply to all staff and shall come into force from the date of approval by the Governing Board.

1.3 DEFINITIONS AND INTERPRETATIONS

In these regulations, unless the context required otherwise;

1.3.1 “**Constitution**” means the Constitution of REDESO (R.E 2012)

1.3.2 “**Chief Executive Officer or CEO**” means the Executive Director of the REDESO appointed under **Article 9** of Constitution of REDESO

1.3.3 “**Accounting Officer**” means the Chief Executive Officer (CEO) and staff charged with the duty of accounting for the approved funds of expenditure.

1.3.4 “**Officer**” means any person employed by REDESO (the Organization).

- 1.3.5 “**Sub-Accounting Officer**” means an officer of the organization who is appointed in writing by the CEO (Accounting Officer) to approve expenditure and perform other accounting duties as directed to him/her by the Accounting officer.
- 1.3.6 “**Organization or Association**” means Relief to Development Society (REDESO).
- 1.3.7 “**Capital Budget**” means the budget for the organization to procure fixed assets.
- 1.3.8 “**Capital Expenditure**” means expenditure incurred by the Organization for acquisition or improvement of Fixed Assets.
- 1.3.9 “**Accountable Documents**” means all official receipts and payment books and all other documents such as Local Purchase Order (LPO), Issue Vouchers, and others such as official documents, which are purely connected with financial transactions.
- 1.3.10 “**External Auditor**” means an Auditor authorized by the Board of Accountants and Auditors (NBAA) who is appointed by the Organization to carry out annual audit of Accounts and Financial Statements of REDESO.
- 1.3.11 “**Recurrent Budget**” means the Budget for day-to-day expenses.
- 1.3.12 “**Branch Manager**” means the person responsible for the Coordination of REDESO’s activities at the Branch.
- 1.3.13 **Senior Management Team** means a group of senior members of staff including the Chief Executive Officer, Deputy Chief Executive Officer, Quality Assurance Manager, Head of Departments, Senior Managers at Branches.
- 1.3.14 “**Services**” means any work done by REDESO for the well running of the organization and development of the same.

1.4 APPLICATION

- 1.4.1 Provide with policies and guidelines in the administration of expenditure and revenue to promote financial discipline of staff at all levels.
- 1.4.2 Provide the means of administering the financial provisions stipulated under **Article 16** of the constitution of REDESO.
- 1.4.3 Harmonize and standardize the application of financial management throughout the Organisation.
- 1.4.4 Facilitate effective controls and therefore reduce/minimize the risk of errors, frauds and Misappropriation of funds.

- 1.4.5 Where there is a conflict between any provisions of these regulations under any written law, such written laws shall prevail.
- 1.4.6 The authority for implementing these Financial Regulations is vested to the Chief Executive Officer (CEO) of REDESO who is responsible for all matters of the organization.
- 1.4.7 The financial regulations contained herein together with 's accounting manual shall be applied without exception to all 's financial transactions.
- 1.4.8 All those involved in finance therefore whether directly or indirectly in any manner whatsoever must take cognizance of and strictly adhere to these regulations and procedures. Any questions regarding Interpretation should be referred to the Head of Finance for clarification and guidance.

1.5 AMENDMENTS

- 1.5.1 The Senior Management Team shall issue the Financial Regulations after approval by the Board.
- 1.5.2 These Regulations shall be issued in the form of CEO's Circulars or Directives to all staff members.
- 1.5.3 After approval and issuance, these Financial Regulations shall be circulated to all officers charged with Accounting and/or Finance duties.
- 1.5.4 May be emended from time to time as circumstances may require and as the Senior Management Team may direct.

2 FINANCIAL GUIDELINES AND PRINCIPLES

2.1 GENERAL GUIDELINES.

- 2.1.1 The Chief Executive Officer (CEO) shall be the Accounting Officer (AO) and shall be responsible to the Governing Board for the enforcement of these Financial Regulations.
- 2.1.2 In the application of these regulations and guidelines the CEO shall be guided by the relevant decisions of the Governing Board made from time to time.
- 2.1.3 Under the guidance of the Board, management shall prepare an annual budget, which shall be approved by the Governing Board.
- 2.1.4 The Board will set specific time for preparation of annual master budgets for its operations with a detailed expenditure budget.
- 2.1.5 The CEO must approve any recurrent expenditure.
- 2.1.6 All expenditures shall be incurred in accordance with the provisions of the annual estimates.
- 2.1.7 All payments should be made through the payment voucher. All non-petty cash transactions must be paid by cheque and/or through TISS transfers.
- 2.1.8 Signatories to the cheque must be drawn from category A and B as approved by the Board.
- 2.1.9 Records retention both financial and programmatic shall be as per the government records retention policy.
- 2.1.10 There should be adequate segregation of duties across all financial management functions in order to avoid collusion.

2.2 DELEGATION OF FINANCIAL POWERS

- 2.2.1 The Management Committee may delegate any of its financial powers and functions to the CEO.
- 2.2.2 The CEO shall ensure that the financial authority delegated to him/her by the Management Committee or by himself in turn to other branch managers is used strictly by following the laid down rules and procedures.

2.3 ROLES AND RESPONSIBILITIES RELATING TO FINANCE

2.3.1 Governing Board

- (a) Overall oversight over financial management of the Association.

- (b) Provide policy guidance and directives
- (c) Appoint one or more qualified auditors and may determine their remuneration
- (d) Approve branch manager's appointment by the management to run the branch office
- (e) Approve budgets and annual financial statements

2.3.2 Chief Executive Officer

- (a) Responsible to the Governing Board for implementation of all financial decisions of REDESO;
- (b) Shall cause to be prepared at the end of each quarter a financial report for the quarter of the financial year;
- (c) Shall be the **Accounting Officer** of REDESO and shall be responsible for promoting and maintaining the efficient utilization of the assets and finance of REDESO;
- (d) Overall oversight over financial management of REDESO.
- (e) Provide policy guidance and directives to REDESO Staff;

2.3.3 Deputy Chief Executive Officer (DCEO)

- (a) Responsible to the CEO in respect of all planning, financial and administrative matters and other matters pertaining to REDESO. The DCEO shall provide principal assistances to the CEO for the performance of his/her duties and functions;
- (b) Shall assist, direct and coordinate planning, finance and development processes;
- (c) Principal assistance of overall oversight over financial management of the Association.
- (d) Shall assist CEO to coordinate policies, procedures and practice of financial management and control

2.3.4 Head of Finance

- (a) The custodian of all cash value books including Local Purchase Orders, (LPO) Receipts Books, Payment Vouchers, Goods Received Notes, Issue notes, Cheque Books etc.
- (b) He/she shall be responsible to CEO for the keeping of the accounting records and for all the financial matters of REDESO. He/she shall ensure that proper internal controls are maintained;

- (c) He/she shall be responsible for supplying quarterly statements to which shall show the amount allocated to each recurrent account, the expenditure incurred and commitments entered into up to the end of the current quarter;
- (d) The Head of Finance shall be responsible for supplying Budget and Cost centre managers/Programme Coordinators with quarterly statements relating to their budget performance;
- (e) The Head of Finance shall be responsible for ensuring that the CEO is supplied with all information necessary to discharge his/her responsibilities relating to financial matters of REDESO;
- (f) The Head of Finance shall be responsible for authorizing all orders made before they are sent to the suppliers and for checking that the orders will not cause the budget to be exceeded
- (g) The Head of Finance shall keep proper accounts and as soon as is practicable, but within three (3) months after the end of each financial year shall produce to the REDESO External Auditors, a Statement of Income and Expenditure, Statement of Cash Flows, and Statement of Financial Position as at 31st December each year.
- (h) The Head of Finance shall consider and implement the suggestions made by the Internal Auditors for improvement in application of accounting and financial controls;
- (i) The Head of Finance shall be responsible for the administration of the National Social Security Fund (NSSF) and any other pension contributory fund administered by REDESO;
- (j) The Head of Finance is responsible for advising all departments in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues to the Association. Therefore, the Head of Finance will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, Corporation Tax, Customs and Import Duty, and any other tax matters;
- (k) Generally, the Head of Finance shall have the responsibility for managing the financial affairs of REDESO.

2.3.5 Branch Manager (BM)

- (a) He/she is responsible for coordinating all branch financial and administration matters of REDESO at the Branch Level;
- (b) Prepare draft branch budget estimates of annual recurrent and capital expenditure budget in each year.

2.3.6 Senior Officer- M& E, Programme, HR & Administration

- (a) Provide a justification for the allocation of resources to various activities and monitor their effective utilization in achieving goals, which have been predetermined and provided for in the budget estimates;
- (b) Safe guard funds retained for expenditure;
- (c) Review expenditure estimates for recurrent and level payment expenditure for reasonableness and accuracy.

2.3.7 Accounting Officers

- (a) Provide a justification for the allocation of resources to various activities and monitor their effective utilization in achieving goals, which have been predetermined and provided for in the budget estimates;
- (b) Safe guard funds retained for expenditure,
- (c) Review expenditure estimates for recurrent and level payment expenditure for reasonableness and accuracy;
- (d) Ensure that funds approved by the Senior Management Team and/or the Governing Board are applied for the purpose for which they are intended;
- (e) Ensure that funds from donor agencies are utilized for the purposes for which the funds are provided and that all the conditionality's attached to the funding are met;
- (f) Ensure that expenditure does not exceed approved budget estimates;
- (g) Manage and control funds effectively so that wastage of the Association's funds is avoided.

3 BUDGETING AND BUDGETARY SYSTEM

3.1 BUDGET

- 3.1.1 A budget is a plan of action expressed in monetary terms in order to achieve specific objectives. It is a management tool for control as stipulated in the REDESO constitution.
- 3.1.2 The management is required at the end of each year to prepare and submit to the Management Committee, for its review and then further processing the budget for the Board's final approval.
- 3.1.3 Sources and applications of funds shall always be forecasted. The forecasts shall be set out in the Association budgets, which provide a detailed breakdown of planned activity based budget.

3.2 BUDGET PREPARATION

- 3.2.1 The CEO shall ensure the preparation of an annual budget, which shall be approved by the Governing Board. The Management Committee shall allocate the Budgeted resources annually after approval.
- 3.2.2 The Head of Finance shall be responsible for coordinating the preparation of annual budgets with the assistance of Senior Accountant and Branch Managers/ Programme Coordinators, as applicable.
- 3.2.3 The Head of Finance shall issue guidelines to HQ Accountants and Branch Managers/ Programme Coordinators for the preparation of annual recurrent and capital expenditure budget in each year. On the basis of these guidelines and based on their own experience and taking into account realistic funding needs to meet various items of expenditure the Branch Managers/Programme Coordinators will submit draft expenditure estimates of their respective branches or stations to the Head of Finance for review and consolidation. After the draft expenditure estimate are considered and endorsed by the management, the draft will be submitted to the Senior Management Team for scrutiny, consideration and forwarding to the Governing Board for approval.
- 3.2.4 A revised budget may be performed considering original budget and actual expenditure taking into account specific duration of the project funds.
- 3.2.5 The Head of Finance will provide the procedures and formats for the preparation of budgets.

3.3 BUDGETARY CONTROL

- 3.3.1 Budgetary control is a process whereby the financial performance in terms of revenue/income, expenditure and surplus/deficit are monitored in comparison with the set targets and corrective actions are taken where necessary to improve performance.
- 3.3.2 The Accounting Officers should ensure that the expenditure budget estimates are not exceeded without approval. Disciplinary actions may be taken against those Officers who violate these rules and regulations.
- 3.3.3 No expenditure (neither recurrent nor capital) shall be incurred except in accordance with the provisions of the annual budget approved by the Governing Board.
- 3.3.4 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively.
- 3.3.5 The financial management information system maintained by the Head of Finance provides the budget holders access to their accounts and budgets for monitoring, reporting and inquiry purposes.
- 3.3.6 The CEO shall submit to the Governing Board the quarterly budget execution reports in respect of the actual performance of functions/activities against set out targets.

3.4 BUDGET ESTIMATES AND COST CENTRE OFFICERS

- 3.4.1 The CEO shall appoint Programme Managers/Programme Coordinators, Finance Managers, and Accountants as Budget Cost Center Officers.
- 3.4.2 At the beginning of each financial year, the CEO shall issue a budget to each Cost Center Officer authorizing him/her to incur expenditure in accordance with terms of the budget.
- 3.4.3 The budget issued by the CEO constitutes the authority for the Cost Centre Officer (CCO) to incur expenditure under cost centres indicated in the budget, subject to these regulations.
- 3.4.4 CCO shall be liable for any unauthorized expenditure resulting from carelessness or negligence on their part.
- 3.4.5 If the Head of Finance considers that a CCO is consistently negligent in the discharge of his/her duties under these regulations, he/she shall report the matter to the CEO who shall investigate it. If negligence is ascertained, the CEO shall report it to the Management Committee for appropriate disciplinary measures.

3.5 AUTHORITY AND CONTROL OVER EXPENDITURES

- 3.5.1 The annual budget estimates as approved by the Governing Board shall constitute the authority necessary for the expenditure to be incurred. No sum shall, however, be withdrawn from the funds of the organisation except under the authority of the budget as issued by the CEO.
- 3.5.2 At the beginning of each financial year, the CEO shall issue an approved budget to the Head of Finance authorizing funds in accordance with the budget estimates as final approved by the Governing Board.
- 3.5.3 The cost center accounting officers shall be aware of the specific purpose or purposes for which each allocation is made available and of the necessity for complying with the instructions on the budget. A budget holder is to regulate his expenditure so as to ensure that the amounts allocated to the cost centre are not exceeded or exhausted. No charges shall be made against any budget except for the special purpose for which provision has been made and expenditure is to be charged against the appropriate item.
- 3.5.4 Budget holders are not authorized to commit any expenditure without first ensuring that there are sufficient funds allocated in the approved cost center budget to meet the cost.

3.6 BUDGET ALLOCATION AND REALLOCATION OF EXPENDITURE

- 3.6.1 The approved recurrent budget shall be allocated to the following cost centres:
- Head Quarters
 - Branches/Field Offices
- 3.6.2 The Budget holders should ensure that the actual expenditure in respect of each budget item does not exceed the approved budget.
- 3.6.3 The CEO may sanction the reallocation of budget estimates within the approved total budget subject to approval by the Partner
- 3.6.4 Expenditure on new items not included in the approved budget shall not be incurred without prior approval of the Senior Management Team in consultation with the respective Partner.

3.7 CLASSIFICATION OF THE BUDGET ITEMS

- 3.7.1 All expenditure incurred during a financial year must be charged to the approved budget code of budget allocation.

- 3.7.2 All revenue incomes must be credited to the appropriate items as per approved revenue estimates and as per items.
- 3.7.3 No charge may be made against expenditure unless the expenditure falls within the scope and ambit of the vote for which a provision has been made in the approved budget.

3.8 SURPLUS ON APPROVED ESTIMATES

- 3.8.1 In cases where surpluses (savings) are available from other items of expenditure under the same cost centre and have been guaranteed, the original budget from which these savings are to be made is reduced accordingly.
- 3.8.2 The budget and cost centre manager shall ensure that the reduced budget estimate derived from budget savings/surplus is not exceeded.
- 3.8.3 Savings on recurrent/capital expenditure shall not be carried forward from one financial year to the next.
- 3.8.4 In cases where the Partner's Agreement required that surplus be returned or reallocated such Agreement Clauses shall be adhered to.

3.9 RECORDING AND CONTROL OF BUDGET

- 3.9.1 Detailed approved budgets for the year shall be uploaded into the financial management information system (FMIS) by the Finance Manager/Senior Accountant (as the case may be) to enable budget holders to monitor their actual financial position against the approved budget as the year progresses.
- 3.9.2 Budget CCOs shall, at all times, maintain a record of actual expenditures, commitments and the balance amount available for future expenditures.
- 3.9.3 The CEO shall ensure that the approved budget is uploaded on the FMIS and the Head of Finance shall keep a central budget book for the control purpose. The budget book shall be reconciled with the FMIS quarterly and any variances shall be reported to the Senior Management Team or the Governing Board depending on the magnitude of the variance for noting and/or action and dealt with in accordance with the Partner's Agreement Clauses on Budget and Variances.
- 3.9.4 All goods and services shall be ordered in accordance with the procurement procedures stipulated in the Procurement Manual and respective invoices from creditors must quote the related purchase order number.

- 3.9.5 Finance officials responsible for making payment to suppliers of goods and services to REDESO shall make payment after all approval level.
- 3.9.6 The financial status of each cost centre, at any point in time, shall be ascertained from the Finance Office. Both committed and actual expenditures shall be ascertained from the FMIS.
- 3.9.7 A chart of authorization and limits for expenditures supplements these Financial Regulations. The Governing Board is responsible for setting and reviewing the authorization limit from time to time.

4 INCOME RECOGNITION

4.1 ACCOUNTABILITY

- 4.1.1 The Head of Finance shall be the official receiver of all funds including fees, subscriptions, donations or legacies, investment income, loans and other sources.
- 4.1.2 The Head of Finance in conjunction with Head of Cost Centre concerned shall make and maintain adequate arrangements for the:
- a) Financial organization, accounting and bookkeeping necessary to ensure the proper recording of all sums due to the REDESO.
 - b) Collection, custody, control, disposal and prompt and proper accounting of the Head of Cost Centre responsible.
- 4.1.3 With regard to income the Head of Finance shall ensure that:
- a) Invoices are raised promptly in respect of income due to REDESO;
 - b) Effective action is taken to collect overdue debts in accordance with 's formal procedures;
 - c) Outstanding debts are monitored and monthly reports are prepared.
- 4.1.4 All amounts due to REDESO shall be paid within thirty days of the date of invoice and Head of Finance shall maintain the age analysis of income receivables.

4.2 SOURCES OF INCOME

- 4.2.1 As stipulated under **Article 16** of the Constitution of REDESO, the main sources of income shall be:
- a) Fees from participating authorities and organizations;
 - b) Subscriptions from individuals;
 - c) Donations or legacies;
 - d) Loans; and
 - e) Other sources, as may be determined by the CEO and approved by the Governing Board from time to time.
- 4.2.2 Other sources of funds may include the following:
- a) **Interest earned on bank deposits:** The Head of Finance shall manage the funds of REDESO efficiently so as to meet all the commitments and obligations of the Organisation in time and to

earn interest income by investing surplus funds in short/long term bank deposits, etc.

- b) **Income from REDESO building:** The Association may rent out its surplus office and or residential building or any other building owned by the Association on the terms and conditions recommended by the Tender Committee and approved by the CEO.
- c) **Profit on sale of assets:** This may include profit on sale of building, Motor vehicles, Motorcycles and other fixed assets owned by REDESO. Procedure and regulations concerning disposal of fixed assets as detailed in **Regulation 11.6** shall be strictly followed.
- d) **Sale of materials and miscellaneous items:** This may include sale proceeds of old, damaged, or unwanted office materials etc. The Tender Committee shall be involved in the disposal of the materials if the expected realizable value is over TZS 5,000,000/=. Where the expected value is less than TZS 5,000,000/= approval of Branch Manager/Programme Coordinator, Head of Finance or CEO as the case may be shall be obtained before the sale is effected.

4.3 RECORDING AND CONTROL OF INCOME

4.3.1 The Head of Finance shall be the custodian of all REDESO funds. Budget and Cost centre managers/Programme Coordinators are required to take proper steps within their powers, granted in these regulations and CEO's circulars, to collect and bank such funds on daily basis.

- a) Every sum received, on behalf of REDESO by the cashier or other authorized employees, in cash or cheque shall be immediately banked/deposited into the designated bank accounts and acknowledged by the issue of an official receipt.
- b) When a cheque is received the number of cheque shall be quoted on the official receipt.
- c) Official receipt must be issued for any sum paid to the association.
- d) All cashiers shall be covered by fidelity guarantee insurance

4.3.2 All electronic transfers of money to REDESO accounts shall immediately be acknowledged by the issuance of official receipt.

- 4.3.3 The Head of Finance or a person/staff appointed by the Head of Finance shall deposit all money received on behalf of REDESO at designated bank accounts.
- 4.3.4 All monies received in foreign currency shall be receipted, recorded and banked in that currency and the ruling foreign exchange rate on that date shall be noted.
- 4.3.5 No write offs of any amount due to REDESO without written approval of the Governing Board supported by evidence to indicate that all reasonable efforts have been made to recover the debt in accordance with prudent and established debt recovery procedures. The Head of Finance shall maintain a register of such amounts written off and/or memorandum accounts for possible future recovery.

4.4 HANDLING OF CASH AND NEGOTIABLE INSTRUMENTS

- 4.4.1 All cheques made to REDESO should indicate the payee as and sent to the Head of Finance. Cheques received shall immediately be crossed **'Not Negotiable Account Payee Only'** and endorsed **'For the Credit to the Account of REDESO'**.
- 4.4.2 All cheques and cash received should be banked/deposited into REDESO's bank accounts on a daily basis and in any event not later than the next working day.
- 4.4.3 Cash in physical transit shall be insured, entrusted to an officer covered by fidelity guarantee insurance and shall be moved under armed escort whenever it deemed appropriate.
- 4.4.4 An officer shall be liable for any loss of cash or cheques if he/she has not taken reasonable precautions and/or acted negligently.
- 4.4.5 Personal cheques shall not be received in exchange for cash or cash equivalents. Similarly, cashing of cheques endorsed by payees shall not be permitted.

4.5 PRINTING AND CONTROL OF RECEIPT BOOKS

- 4.5.1 All official receipts, forms and books shall be in approved form and all such forms, books, vouchers, licenses and coupons for which fees are chargeable shall be ordered, controlled and issued to collection centres by the Head of Finance and all receipts and issues thereof shall be properly recorded and acknowledged.
- 4.5.2 Each Head of Cost Centre who receives money on behalf of REDESO for which they are accountable shall keep such records including an

accurate chronological account of all receipts and the Head of Finance may from time to time approve deposits.

4.6 ACCOUNTING FOR INCOME

DESCRIPTION	Accounts Codes	Debit	Credit
When income is received			
Bank account	Xxx	Xxx	
Income/grants/fees/subscription	Xxx		Xxx
Income receivable			
Receivables	Xxx	Xxx	
Income/grants/fees/subscription	Xxx		Xxx
Recording accrued income when received			
Receivables	Xxx	Xxx	
Bank account	Xxx		Xxx

5 PAYMENTS FOR EXPENSES

5.1 ACCOUNTABILITY

- 5.1.1 It shall be the duty of the Head of Finance to ensure that all statutory obligations such as PAYE, WHT, WCF, SDL and other Levies are made promptly and on or/before due dates.
- 5.1.2 No payments shall be made without proper documentation and necessary approvals.
- 5.1.3 All payments vouchers should bear the name and signature of the person preparing it, those of the reviewing officer, and those of the approving officer; all of which must be dated.
- 5.1.4 Signatories of respective Bank Accounts should approve all payments.
- 5.1.5 The CEO and REDESOS staff whom have been delegated responsibilities over REDESOS expenditure are, for the purpose of these Regulations, referred to as the Accounting Officers.
- 5.1.6 The Accounting Officers at the cost centres (Head Quarters and Branches/Field Office), the Head of Finance and Branch Managers/Programme Coordinators, shall be responsible for their respective cost centre expenditures and accountable for ensuring that the expenditure does not exceed the approved budget estimates.
- 5.1.7 The Head of Finance or the person appointed by the CEO at the branch level shall be the custodian of all cash value books including Local Purchase Orders, (LPO) Receipts Books, and cheque Books.
- 5.1.8 Payment Vouchers, Goods Received Notes, Issue Notes shall be generated through the FMIS in accordance with the system protocols.
- 5.1.9 It is the responsibility of the Accounting Officers to: -
- a) provide justification for the allocation of resources to various activities and monitor their effective utilization in achieving goals, which have been predetermined and provided for in the budget estimates;
 - b) safeguard funds retained for expenditure;
 - c) review expenditure estimates for reasonableness and accuracy.
 - d) ensure that funds approved by the Senior Management Team or the Governing Board are utilized for the intended purpose;
 - e) ensure that donor funds are utilized for the intended purposes in compliance with Terms and Conditions attached to the funding;

- f) ensure that expenditure does not exceed approved budget estimates; and
- g) manage and control funds effectively.

5.2 PAYMENT PROCESS

- 5.2.1 All payments shall be made against duly authorized payment voucher initiated by the Finance Officer/Accountant and shall be based on the approved payment request;
- 5.2.2 Separate payment files (made from each bank account and petty cash) and for control purposes must be maintained and restricted to finance staff only. A record of the file movements should be maintained accordingly.
- 5.2.3 The payment voucher should contain full particulars of the goods or services for which payment is being made and all supporting documents shall be attached to the vouchers.
- 5.2.4 All payment vouchers are to be typed or written in indelible ink. Payment vouchers must be complete in all aspects detailing the authority and the coding of the expenditure, or full description of the expenditure or reason for payment and the quotations of the number of bills or Invoices, and Local purchase order (LPO) so as to ensure the correct identification of the payment. Details to be included on payment voucher include:
 - a) Date
 - b) Name of vendor/payee
 - c) Cheque number
 - d) Amount to be paid
 - e) Description of payment
 - f) Cost Center and account code details
 - g) Date of retirement of contingency (where applicable)
 - h) Signature of who prepared voucher
 - i) Reviewer's signature
 - j) Authorizing signature
- 5.2.5 All payments, except staff salaries paid through bank transfers and issued with salary slips, must be supported with receipts. If receipt is not issued, a written acknowledgement of receipt of payment has to be obtained from supplier.
- 5.2.6 The authority to approve payments is vested to the CEO, Head of Finance and Branch Managers/Programme Coordinators. The CEO,

upon advise by the Head of Finance, may give where necessary the authority in writing to any other person to sign payment voucher.

- 5.2.7 The authorizing person must sign all alternations to the particulars given in the voucher in full.
- 5.2.8 Original invoice, bills, and statement relating to the payment, except where the volume size or weight of such attachments will be separately filed and suitably cross-referenced to the respective payment voucher, must support all payment vouchers.
- 5.2.9 The Officer responsible for certifying vouchers must at all the times exercise the greatest care to ensure that the certificates he/she signs are in accordance with the facts. Such Officer shall be held responsible in the event of any improper payment being made as a consequence of incorrect certification.
- 5.2.10 All payment vouchers must be system-generated.
- 5.2.11 The cashier must satisfy himself/herself that the person claiming the payment is in fact the person authorized to receive it or the authorized representative. The Authority by the payee to a nominee shall be affixed to the original payment voucher to which it relates.
- 5.2.12 As far as possible, the payments shall be by crossed cheques and it shall be prepared in a manner that makes the possibility of subsequent alterations or additions difficult.
- 5.2.13 A replacement cheque in respect of a cheque lost before presentation to the bank shall not be issued until its non-presentation to the bank is confirmed beyond reasonable doubt and the bank has been instructed to stop the payment of the lost cheque.
- 5.2.14 Payments made on a copy Invoice or bill must bear an indemnity by the payee. The Indemnity certificate shall require the payee to make good the full value of the payment in case of double or from fraudulent payment being evident.
- 5.2.15 An officer who authorizes irregular payment such as double payment, payment for goods for services not received and unrecoverable over payments, shall be made personally responsible for the losses suffered by the Association for such irregular payments.
- 5.2.16 Immediately after payment is made against a voucher the paying officer shall stamp the voucher and all its supporting documents as **“PAID”** and indicate the date of payment. If payment is made by cheque, the relevant cheque number shall also be endorsed on the face of the voucher.

5.3 CREDITOR REGISTER

- 5.3.1 Creditor is only recognized when the invoice for the goods or services has been received prior to the end of the accounting period, but where payment has not been made. The Head of Finance shall ensure all liabilities are recorded and settled promptly.
- 5.3.2 A separate creditor's register or Creditor Account shall be maintained. Account Code of Reference should be observed for each expense or liability and must be reconciled to the General Ledger on a monthly basis.
- 5.3.3 The register should indicate reference number to the payment documents, accrued amount and the balance.
- 5.3.4 A separate Creditors' Ledger Account will be maintained for each supplier/vendor.

5.4 AUTHORITY AND CONTROL OF EXPENDITURE

- 5.4.1 The general authority to incur expenditure out of REDESO's funds is provided through the budget duly approved or ratified by the Governing Board or Senior Management Team, subject to an instrument of delegation issued by the Board.
- 5.4.2 No expenditure shall be made out of the funds of REDESO unless that expenditure is part of the budget approved by the Governing Board under the estimate for the financial year in which the expenditure is to be incurred.
- 5.4.3 For those funds where the Partners' Implementation Agreements provides for reallocation of funds to be agreed between the Senior Management Team and the respective Partner during the Implementation Period, then the SMT and the Partner shall effect the changes in activity using the same total budget.
- 5.4.4 As a general rule and as the case may be, the Governing Board should ratify or be notified any reallocation at the next sitting.
- 5.4.5 Funds from the general expenditure account from the Headquarter of REDESO shall be transferred to the expenditure bank account of the cost centres on monthly basis to meet day-to-day expenses that are not major in nature and not exceeding the approved limit of such expenditure.
- 5.4.6 The following recurrent expenses shall be centrally administered by REDESO at the Head Quarters:
 - a) Personal emoluments (Staff Salaries)

- b) Printing of stationery (in bulk)
 - c) Major repairs and refurbishment of buildings
 - d) Bulk procurement of materials and supplies
 - e) Staff training
 - f) Committee expenses
 - g) Professional/consultancy fees
 - h) Overseas travel expenses and
 - i) Any other item of expenditure, as may be decided by the Chief Executive Officer from time to time.
- 5.4.7 All other recurrent expenses not listed above will be handled by the Accounting Officers at their respective cost centres in accordance with these Financial Regulations and within their respective budget allocation for each item of expenditure.
- 5.4.8 Any Officer making, allowing or directing any payment without proper authority shall be held personally and pecuniary responsible for the payment.
- 5.4.9 Any Accounting staff/Officer that is making payment will be held responsible for the inaccuracies arising from negligence and misconduct in these accounts.
- 5.4.10 Every officer responsible for handling and /or signing a payment voucher thereby certifying the accuracy, every detail therein shall be personally and pecuniary responsible for any errors, or losses that may arise from such payment.

5.5 PURCHASE PROCEDURES

- 5.5.1 Procurement procedures of goods, civil works and services shall be done in accordance with **Procurement Manual 2019**
- 5.5.2 All procurement of goods, civil works and services shall be based on competition and open market unless only one source is available, urgency precludes competition and/or authorized by the governing law.
- 5.5.3 No commitment for financial expenditure shall be made without confirmation that funds are available and prior to clearance by the Head of Finance and CEO
- 5.5.4 The following shall be used as commitment documents: LPO, travel requests, and contracts.
- 5.5.5 The Senior Accountant is responsible for ensuring that:
- a) Control is exercised over the receipt of goods and services in accordance with the procurement procedures.

- b) Local Purchase Orders (PO) for all approved credit purchases are issued and cheques or bank transfers are used for payment.
- c) Purchases invoices are properly authorized for payment;
- d) Authorized purchases invoices are posted through the creditors' ledger system and analysed into general ledger expense codes.

5.6 AUTHORITY LIMITS FOR PAYMENTS

- 5.6.1 Branch Managers/Programme Coordinators are authorised to make payment not exceeding TZS 5,000,000=
- 5.6.2 Amount in excess of TZS 5,000,000= shall only be paid upon approval by the CEO.

5.7 OFFICE ADMINISTRATIVE EXPENSES

- 5.7.1 **Utilities:** All expenditure on utilities (fuel, water and electricity) shall be in accordance with the level of the approved budget in **Regulation 3.5** and **3.6**. All staff shall be required to take necessary steps to prevent unnecessary or wasteful consumption of electricity, water and fuel at all times.
- 5.7.2 **Telephone, Telex and Telefax:** The switchboard operator shall keep an up to date register in which all trunk calls shall be recorded. All direct lines shall be locked to discourage unauthorized use. The use of password is recommended. International calls shall be verified and signed by the users. All personal calls shall be invoiced to staff or directly recovered from his/her salary.
- 5.7.3 **Postage & Telegrams:** A register for recording all outgoing mails shall be maintained at the Registry. All outgoing mails shall be recorded indicating the address and the postage stamp affixed.
- 5.7.4 **Motor vehicle Expenses:** Transport shall be provided to facilitate smooth and efficient operations of projects under REDESO. The Transport Officer (TO)/Administration Officer (AO) and Branch Managers/Programme Coordinators or Logistics Officer shall control motor vehicles/cycles at the HQ and Branch respectively. Properly licensed and authorized personnel shall operate all official vehicles for official purposes.
 - (i) **Fuel:** Fuel consumption should be strictly controlled by regularly monitoring the average Kilometres (Kms) performed per litre. The performance of a vehicle in terms of expected average running Kms per litre can be obtained from the franchise dealers. In the fuel consumption, register maintained for each vehicle separately,

monthly consumption of fuel and Kms performed should be arrived at, to calculate the average Kms performed per litre during each month. Disciplinary action shall be taken against the concerned drivers for excessive fuel consumption. The Accounting Officers at the respective cost centre are responsible for the control of fuel costs.

- (ii) **Repair and maintenance:** As far as possible vehicle should be sent to the franchise dealer for vehicle repair and maintenance, where franchise dealers are not available vehicle should be sent only to the approved workshops. The Tender Committee procedures shall be involved in selecting the approved workshop.

5.7.5 Insurance: All REDESO owned vehicles, offices buildings/premises, and residential buildings (where applicable), warehouses, and all other assets should be adequately insured against all possible risks. Guidelines and responsibilities on all insurance matters will be vested to the Head of Finance. Each budget and cost centre officer shall notify the Head of Finance of all claims and losses immediately of the occurrence of the incident, giving full account of the loss, the time of the incident and any person injured or property damaged. The Head of Finance shall transmit the claim to insurers immediately after the accident, death or loss. All monies due and received from the insurers shall be payable to REDESO and shall be immediately deposited/wired into REDESO's bank account.

5.8 PREPAYMENTS, DEPOSITS AND ADVANCE TO SUPPLIERS.

- 5.8.1** Prepayments, Deposits for utilities and Advances to suppliers shall only be made as per the terms of contract, if any, or as per generally accepted commercial practice.
- 5.8.2** Head of Finance or Branch Manager/Programme Coordinator shall approve all such payments, as the case may be.
- 5.8.3** All such payments shall be properly accounted for and dully adjusted at the time of settlement of accounts.
- 5.8.4** Accounting officers shall make reconciliations of these accounts and prepare statements showing outstanding amounts and their status at the end of each month.

5.9 ACCOUNTING FOR EXPENSES

DESCRIPTION	Accounts Codes	Debit	Credit
Credit purchases			
Purchases	XXX	XXX	
Creditors	XXX		XXX
Payment of goods and services			
Creditor	XXX	XXX	
Cash book (cheque payment book)	XXX		XXX
Prepayments/advances			
Prepayments/suppliers		XXX	
Bank account			XXX

5.10 FORMS USED

Form	Reference
Payment Voucher	REDESOF1
Invoice	REDESOF2
Creditor Register	REDESOF3
Purchase Order	REDESOF4
Requisition Form	REDESOF5

6 STAFF APPOINTMENTS, EMOLUMENTS AND ALLOWANCES

6.1 ACCOUNTABILITY FOR PAYROLL

- 6.1.1 The Head of Finance is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered.
- 6.1.2 The CEO is responsible for approving and signing all letters regarding appointments, discharges and changes in the employee's rates of pay and deductions to be made from their pay.
- 6.1.3 The Head of Finance and the Accountant is responsible for ensuring that accurate, up to date and complete personnel and payroll records are maintained.
- 6.1.4 The responsibility for accounting and administration of the Payroll shall rest with the Head of Finance who shall delegate the related functions as considered appropriate and shall ensure that payroll accounting procedures stipulated in this 's financial regulations and manual are adhered to.
- 6.1.5 The CEO and the Head of Finance shall be responsible for ensuring that communication flow in is such that all information that has any effect on payroll are available for action. Such information shall inter alia include the following: -
- a) Letters of appointment/contract or transfer.
 - b) Letters of termination.
 - c) Letters relating to resignations, retirements and compilation or termination of contracts.
 - d) Letters relating to salary increments and promotions.
 - e) Advise for stopping payment of salary or for payment of half salary.
 - f) Particulars of loans, salary advances and imprest.
 - g) Particulars relating to overtime.
- 6.1.6 There should be segregation of duties when preparing payroll.
- 6.1.7 The approved master payroll shall be attached to all payments associated with the payroll.

6.2 APPOINTMENT OF STAFF AND PROMOTIONS

- 6.2.1 Subject to the Scheme of Service, no appointment of any employee and no promotion of existing ones shall be made unless such positions have been provided for in the staff establishment.

6.2.2 Every staff on first appointment to shall be issued with a Letter of Appointment as the basis for authority for payment of salary. No payment of salary may be made unless such a letter has been issued and the employee is confirmed to have reported on duty.

6.2.3 The CEO shall be informed immediately when an officer takes up his appointment and one certified copy of the Letter of Appointment is to be sent to the Head of Finance.

6.3 STAFF LEAVE AND ALLOWANCES

6.3.1 REDESO Staff Regulations (2020, as updated) shall guide all staff leave passage and related matters. The responsibility for sanctioning of annual leave and approving leave passage shall all the time be in accordance to staff regulations.

6.3.2 Staff allowances shall be approved and paid in accordance with thresholds prescribed in Staff Regulations/HR manual (2020).

6.4 PAYROLL PROCEDURE

6.4.1 All payments will be made through the payroll system established at REDESO Headquarters.

6.4.2 The preparation of the payroll shall be based on each staff letter of appointment, promotions, and shall as well take into account matters such as resignation, retirements, termination, statutory deductions and any other deductions/increments.

6.4.3 Summary sheets, payroll listing and pay slips shall be prepared by the Finance office in collaboration with Human Resource Department as the basis for making salary payments which shall be paid directly to each staff account.

6.4.4 All statutory deductions including PAYE, Pension deductions, SDL, HESLB and WCF should be paid immediately within due dates and accounted for and recorded accordingly.

6.5 STAFF LOANS AND ADVANCES

6.5.1 All requests for staff loan shall be dealt with as per Staff Regulations (2020). However, the Head of Finance and Head of Human Resources shall be responsible for the processing of all staff request for staff loans.

6.5.2 A maximum of three months' salary may be granted to as staff loans and advances on application and approval by the CEO provided that:

- a) Funds are available,

- b) Net take home pay after recovery of such loan shall not fall below one third of his/her basic salary, and
- c) The amount so granted shall be recovered within the same financial year.
- 6.5.3 Mid-month advances should not exceed half of the employee's salary and shall be cleared in the same month.
- 6.5.4 Staff loans and other advances shall be kept within appropriate directives and other approved incentive schemes of REDESO. In exceptional circumstances, the CEO shall authorize special loans under special terms and conditions as considered appropriate under the circumstances.
- 6.5.5 No employee shall be allowed a fresh loan unless previous ones are fully recovered.

6.6 ACCOUNTING FOR PAYROLL

DESCRIPTION	Accounts Codes	Debit	Credit
Salary payment			
Staff salaries	XXX	XXX	
Bank account	XXX		XXX
Staff advances			
Staff debtors-advances	XXX	XXX	
Cash/Bank	XXX		XXX
Recovery of staff advances			
Bank/cash		XXX	
Staff debtors			XXX

- 6.6.1 Any tax and pension liabilities incurred during the month should be accounted for as follows:

Dr Tax liability/Pension Contribution Expenses A/c
 Cr Tax Liability/Pension Contribution Payable A/c

- 6.6.2 On payment of payroll liabilities, the following entries should be passed.

Dr Tax liability/Pension Contribution Payable A/c
 Cr Bank A/c

6.7 FORMS USED

Form	Reference
Payroll – master payroll	REDESO/F6
Pay lists	REDESO/F7
Salary slip	REDESO/F8

Form	Reference
Mid-month salary advance/loan application form	REDESO/F9
Mid-month advance/loan retirement form	REDESO/F10
Overtime sheet	REDESO/F11
Leave passage form	REDESO/F12

7 TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

7.1 GENERAL GUIDELINES

- 7.1.1 Any employee who will be required to travel out of his normal duty station shall be entitled to travel and subsistence allowance.
- 7.1.2 Payment for travel and Daily Subsistence Allowance (DSA) shall only be made where the travel is within the planned activities and was approved by the CEO or Program Coordinator as the case may be.
- 7.1.3 The Governing Board may renew DSA rates from time to time.
- 7.1.4 An employee who is requesting a travel must complete the Travel Requisition Form.
- 7.1.5 Means of travel can either be by air, railway, road/tax/bus or boat depending on the trip within or outside the country.
- 7.1.6 All claims for payment of Daily Subsistence Allowances, traveling and incidental expenses, if applicable, shall be submitted for payment using Travel Expense Claim Form in accordance with the prevailing rules, rates and allowances.
- 7.1.7 Cost of official air travel shall be booked and paid directly to travel agent.

7.2 LOCAL TRAVEL

- 7.2.1 The request for official travel allowances shall specify the date of departure, places to be visited, duration and purposes of the visit, advance requested and its breakdown.
- 7.2.2 Staff travelling locally shall be granted per diem as per approved rates from time to time.
- 7.2.3 For all local travels, REDESO shall pay DSA based on rates approved by Governing Board.
- 7.2.4 Rates will differ depending on staff position and place/category of visit as per Table below:

Place/Category	Board members, Directors and Executives	Managers, Project Coordinator and other Senior Staff	Other Staff
City/Municipal	TZS 250,000.00	TZS 200,000.00	TZS 150,000.00
District	TZS 200,000.00	TZS 150,000.00	TZS 100,000.00

7.3 INTERNATIONAL TRAVEL

- 7.3.1 All foreign travel by staff must be formally requested, justified and approved prior to undertaking the travel, in accordance with the travel procedures contained in the Staff Regulations (2020).
- 7.3.2 When an employee is required to travel outside Tanzania on duty, REDESO Administration Office shall do all the bookings before the departure date.
- 7.3.3 CEO shall approve all foreign travel by staff. Staff will be paid allowances as per approved rates.
- 7.3.4 For all local travels, REDESO shall pay DSA based on rates approved by Governing Board.
- 7.3.5 Rates will differ depending on staff position and place/category of visit as per Table below:

Place/Category	Board members, Directors and Executives	Managers, Project Coordinator and Other Senior staff	Other Staff
Abroad	US\$300	US\$250	US\$100

7.4 ACCOUNTING ENTRIES FOR TRAVEL AND SUBSISTENCE

DESCRIPTION	ccounts Codes	Debit	Credit
Payment for un-accrued expenses			
Travel/subsistence expenses	XXX	XXX	
Bank account	XXX		XXX
Accrual for travel/subsistence expenses			
Travel expenses	XXX	XXX	
Accrual - Travel/subsistence expenses	XXX		XXX
Payment for accrued travel/subsistence expenses			
Accrued travel/subsistence expenses	XXX	XXX	
Bank account	XXX		XXX

7.5 FORMS USED

Form	Reference
Travel requisition form	REDESO/F13
Travel expenditure report	REDESO/F14
Travel retirement form	REDESO/F15

8 CASH AND BANK ARRANGEMENTS

8.1 ACCOUNTABILITY

- 8.1.1 The Governing Board of REDESO shall approve opening of bank accounts on recommendations by the Senior Management Team.
- 8.1.2 The accounts so operated shall be restricted to the specific purposes initially intended for.
- 8.1.3 All cheques shall be ordered on the authority of the Head of Finance who shall make proper arrangements for their safe custody.
- 8.1.4 The Head of Finance shall be the official custodian of the funds of and may delegate the duties involved as deemed appropriate but will still be answerable for the action of the officers so delegated.
- 8.1.5 The Head of Finance shall be custodian and responsible to other accounting officers of all cash value books (accountable documents) such as LPOs, payment vouchers, petty cash vouchers, Issue notes, General receipts etc. he/she will be also responsible for stock control of other stationery and office materials at the Headquarters.
- 8.1.6 The Head of Finance shall institute such cash custody and handling procedures as to ensure maximum internal control and security.
- 8.1.7 All payments shall be made by cheques and authorized by the CEO or Program Coordinator as the case may be except for petty cash for minor expenses.

8.2 BANK ACCOUNTS

- 8.2.1 The Governing Board shall approve opening of bank accounts.
- 8.2.2 Joint signatories of at least three signatories, in a combination approved by the Governing Board or Senior Management Team when delegated to do so and in accordance with bank's mandate shall operate the bank accounts.
- 8.2.3 The Accountant shall be the banking agent on behalf of REDESO.
- 8.2.4 REDESO shall operate the following accounts at Headquarters and branches, both local and foreign currency, as considered appropriate.

Head Quarters	Branch
<ul style="list-style-type: none"> • Expenditure Account (Main Account) • Special Account for Grants • Separate account for Fund received from each Donor 	<ul style="list-style-type: none"> • Expenditure accounts

8.2.5 The following shall be the signatories at Headquarters and Branches.

Headquarters	Branches
Category A <ul style="list-style-type: none"> • CEO • Deputy CEO 	Category A <ul style="list-style-type: none"> • CEO • Branch Manager/Programme Coordinator
Category B <ul style="list-style-type: none"> • Head of Finance • Human Resource Officer • Senior Program Manager 	Category B <ul style="list-style-type: none"> • Senior Accountant • Program Manager/Officer

8.3 CONTROL SYSTEMS OVER CASH AND BANK

8.3.1 Only authorized persons shall obtain chequebooks from the bank. Strict security of cheques shall be observed and cheque leaves must be counted to confirm that all the leaves are contained in the collected cheque.

8.3.2 Storage of cash shall be in the controlled safes and drawers; and there shall be minimal amount, not exceeding **TZS 2,000,000.00**, due to risk involved (loss through thefts). However, the amount can be reviewed by SMT from time to time depending on the required cash for operations. Such review shall be approved/rectified by the Governing Board.

8.3.3 Cash imprest should be kept to a minimum level as per limits set in **Regulation 9.2.7**. A higher amount of cash imprest may be held with the approval of the CEO for a specified purpose.

- 8.3.4 At the end of each month bank and cash reconciliation shall be done. Bank statements shall be acquired to reconcile with the cashbook. Reconciliation is prepared for each bank account.
- 8.3.5 In the event of signatory or a bank agent leaving the organization, the Governing Board shall inform the Bank in writing on the changes.
- 8.3.6 No cheque should be signed before full details of the payee and sum payable have been entered.
- 8.3.7 Signed cheque should be issued to payees as soon as they are ready and should not be kept in the safe for long period.
- 8.3.8 Bank accounts should never be overdrawn.
- 8.3.9 The bank account shall be closed where: -
- a) The purpose for which the account was intended for has been fully fulfilled.
 - b) In the opinion of the Head of Finance, the account does not operate in conformity with the purposes initially intended for. In such circumstances, the Head of Finance shall request the CEO to approve the suspension or closure of such an account.
 - c) The Governing Board shall be notified, at the subsequent board meeting, of those accounts that were suspended or closed under [Regulation 8.3.9 \(b\)](#).

8.4 SECURITY OF CHEQUES

- 8.4.1 All cheques received by shall be deposited in a bank account on daily basis as they are received.
- 8.4.2 An inward register for cheques, Bank draft, postal, money orders, and cash received through the post or through some other medium of delivery must be maintained. An acknowledgement receipt will be issued and entered against the appropriate entry in the register.
- 8.4.3 Third part and post-dated cheques shall not be accepted.
- 8.4.4 Every official receipt issued in acknowledgement of the cheque, postal, or money order or bank draft will be cross-referenced to such cheque, draft etc.
- 8.4.5 All cash received must be banked immediately and latest by the following day of such receipt.
- 8.4.6 In the event that a cheque is missing, the matter must be brought to the attention of the bank and the Accountant without delay.

- 8.4.7 The cashier/finance officer is responsible for ensuring that a chequebook is kept securely in a safe and that no leaves are stolen from it.
- 8.4.8 Cheque is completed clearly and in ink. No gaps should be left before or after words and figures that would allow later falsification of the details or value of the cheque.
- 8.4.9 Cheque counterfoil is always completed with the following details;
- a) Date
 - b) Payee
 - c) Brief details of reason for the cheque
 - d) The value (in Figures)
 - e) Signatories should sign the counterfoil
 - f) Cheque should always be crossed to “account payee only” if this has not already been done by the bank.
- 8.4.10 After the leaves of the chequebook have been utilized the counterfoil shall be kept under safe.
- 8.4.11 Signed cheque will be returned to the Cashier/finance officer for registration in an outgoing cheque register. The register will include the following details;
- a) Date
 - b) Payee
 - c) Cheque Number
 - d) Name and signature (of official collecting the cheque)
- 8.4.12 Authorized persons will obtain chequebooks for the operation of the Bank Accounts from the Bank only.
- 8.4.13 Cheque Books must be kept under lock and key when not in use.
- 8.4.14 Head of Finance shall at all times maintain a record of receipts of cheques from Bank and issue to cashier with register. All issued cheques to the Cashier should be acknowledged by signature.
- 8.4.15 In case of cheque is being lost, whether the cheque is unused or has already been issued the accounting person, must immediately issue a stop payment order to bank account.
- 8.4.16 All cheques drawn in respect of payment of goods supplied or service rendered by third parties should be crossed “**ACCOUNT PAYEE ONLY**” and issued to an authorized person by obtaining signature in the dispatch register.
- 8.4.17 Open cheques may be issued to staff only.

- 8.4.18 Acknowledgement of the cheque shall be obtained from the payee concerned before the cheque is handled over by signing the dispatch register.
- 8.4.19 Every cheque drawn upon Account shall be properly prepared in accordance with the relevant data given on the authenticated payment document concerned and shall be completed in such a manner as to hinder improper alteration and to facilitate it being linked to the payment voucher to which it relates.
- 8.4.20 A cheque payment register shall be maintained where 1st and 2nd signatories shall initial it.

8.5 DISHONoured/CANCELLED CHEQUES

- 8.5.1 Cheques that have been dishonoured shall be debited back to the Debtors' Account and credited to the Bank Account (Reversal). Fresh cheques with banker's acceptance or bank drafts shall be obtained in place of dishonoured cheques.
- 8.5.2 In the event that a cheque is to be cancelled the word "cancelled" should be written across the cheque and the stub in ink and the cheque punched on both edges. The payment voucher is marked and a note made in the cashbook.
- 8.5.3 The cancelled cheque is journalized at a zero value and entered in the cashbook.
- 8.5.4 The original payment request and other paper now serve as the backing documents in the preparation of a replacement voucher and cheque.
- 8.5.5 Details of the replacement cheque is clearly cross-referenced to the previously cancelled cheque

8.1 STALE CHEQUES

- 8.1.1 If it became apparent that a cheque has been issued but remained uncashed for period of six months, it is regarded as stale. Stale cheque is cancelled by writing to the bank asking them to stop payment of the cheque by the accountant.
- 8.1.2 Stopping of the cheque is noted into the cashbook and on the payment voucher and reinstated into the cashbook by the accountant.
- 8.1.3 A journal should be prepared to debit the bank and credit the liabilities account.

- 8.1.4 Effort is then made to contact the recipient of the cheque to discover why it remained un-cashed. A new payment voucher is completed if it is appropriated to replace the cheque.
- 8.1.5 All cheques issued by which are not presented to the Bank within six months after issue date shall be treated as stale cheque and shall be credited to the stale cheques account and debited to the bank account. Fresh cheques shall be issued, based on the request made by the claimant.

8.2 CASH BOOK

- 8.2.1 The Cashbook is updated with all money received and paid, whether by cash, cheque or by bank transfer. Separate cashbooks and ledger codes are maintained for each project and each bank account.
- 8.2.2 The cashbooks are updated on daily basis from vouchers and receipt books.
- 8.2.3 At least once a month the cashbook and account ledger for the bank account are ruled off and balanced. The cashbook balances are reconciled with the bank statements not later than the 5th day of the following month by the Senior Accountant and verified and approved by any of the signatories.
- 8.2.4 The cash book has the following details:
 - (a) The reporting period
 - (b) A sequential reference number of receipts, payments voucher, cheque for easy reference.
 - (c) The date when the cheque was written
 - (d) The name of the payee or person from whom payment was received.
 - (e) Description of transactions
 - (f) The amount of money paid or received

8.3 RECEIPT BOOK

- 8.3.1 A receipt book is maintained to record all money received both in cash and by cheque.
- 8.3.2 The receipt book is maintained in triplicate. The original copy is given to the payer, duplicate copy attached on supporting documentation and triplicate copy retained in the receipt book.
- 8.3.3 The receipt books are sequentially pre numbered.

8.3.4 Each receipt bears the following details:

- (a) Date payment received
- (b) Name of payer
- (c) Reason for receipt
- (d) Amount received both in words and in figures
- (e) Details of cheque received (if appropriate)
- (f) Signature of Cashier/Accountant

8.4 ELECTRONIC BANKING ARRANGEMENT

8.4.1 The Head of Finance must ensure that the controls over and access to such facilities are established and enforced.

8.4.2 There must be strict segregation of duties between those staff responsible for setting up payment transaction files and those staff responsible for checking and executing the electronic transfer instructions.

8.4.3 The officer who must be independent from those who were involved in the payment processes must check confirmation reports from the bank relating to transfer instructions received from REDESO back from the originating transaction reports.

8.5 BANK STATEMENTS AND RECONCILIATION

8.5.1 A bank statement shall be obtained at the end of every month for each bank account. This statement shows all monies received through bank for REDESO and all payments made by REDESO through the bank and other charges charged by bank for bank operations.

8.5.2 The Accountant shall reconcile the cashbook balance to the balance on the bank statement.

8.5.3 The reconciliation takes account of the cheques drawn, but not yet presented at the bank and deposit made which have not yet been recorded on the cashbook.

8.5.4 Reconciliation procedures shall include investigations of all discrepancies.

8.5.5 Documentation shall be obtained from the bank to back up bank charges and any other bank items that are directly debited /credited to bank accounts.

- 8.5.6 If errors are noted on the bank statement, the bank should be informed, in writing, of the error.
- 8.5.7 The reconciliation is signed by the person preparing it (Accountant) and approved by any of the signatories.
- 8.5.8 The Accountant should always follow-up on any outstanding items in the reconciliation.

8.6 FORMS USED

Form	Reference
Cash Book	REDESOF16
Receipt book	REDESOF17
Petty cash book	REDESOF18
Bank reconciliation statement	REDESOF19

9 PETTY CASH AND IMPREST

9.1 RESPONSIBILITY

- 9.1.1 The Head of Finance and Branch Managers/Programme Coordinators shall make available imprest for the purpose of defraying petty cash expenses.
- 9.1.2 The Head of Finance and Branch Managers/Programme Coordinators shall administer a petty cash float on an imprest system to cater for payment of small incidental and minor purchases.
- 9.1.3 Cashiers and accountants at headquarters and branches shall administer day-to-day petty cash transactions.

9.2 PETTY CASH/IMPREST SYSTEM

- 9.2.1 Such a petty cash float is provided to pay minor office expenses and may not be used for wages or salaries, or bulky purchases, or major recurrent expenditures, or for payments to regular suppliers or for personal expenditure
- 9.2.2 Imprest system will operate in a revolving account basis by compiling replenishment returns, which should be approved by the Head of Finance and Branch Managers/Programme Coordinators as the case may be. These returns should be attached by original supporting documents such as invoices and cash sales
- 9.2.3 Invoices, vouchers and receipts must support all petty cash purchases.
- 9.2.4 Payments from petty cash imprest will be effected upon raising of petty cash voucher which will be dully signed by the recipient of the cash and approved by cost centre officers.
- 9.2.5 The cahier will maintain a petty cash book to record petty cash payment and recoupment transactions.
- 9.2.6 The petty cash holders should ensure that at any given time the imprest cash balance and the paid voucher amount should be equal to the full imprest amount.
- 9.2.7 The following cash floats (Petty Cash/Imprest) will be provided and any change shall have to be approved by Senior Management Committee
 - (a) Head quarter – not exceeding **TZS 2,000,000=**
 - (b) Branch Office - not exceeding **TZS 1,000,000=**

9.3 RETIREMENT AND RENEWAL OF IMPREST

- 9.3.1 An imprest shall be issued to an individual member of staff by name and not to a holder of an office.
- 9.3.2 Staff imprest may be given to staff for meeting recurrent expenditure, sundry purchases of materials/services in cash only if it is established that such an expenditure or purchase cannot be made against payment by cheque.
- 9.3.3 The Head of Finance or Senior Finance Manager shall approve all imprest for HQ requests and Branch Managers/Programme Coordinators at Branch Offices.
- 9.3.4 All imprest shall be retired within 2 days of depletion. Imprest given in the form of float of postage, snacks etc. should be accounted for as and when the request for replenishment is made.
- 9.3.5 If the outstanding imprest is not cleared within the stipulated time, the whole amount shall be recovered in full from the salary of the employee and the employee shall be liable for appropriate disciplinary actions.
- 9.3.6 Claims for reimbursement must be made on the standard form provided by the finance office and be supported by invoices or other supporting documents.
- 9.3.7 A second imprest shall not be issued unless the previous imprest has been fully retired.
- 9.3.8 The holder of standing imprest shall renew the imprest regularly by submitting a summary of expenditure supported by certified as correct and coded by the budget and cost centre officers responsible.
- 9.3.9 All supporting petty cash vouchers for imprest must be certified as correct and coded by Budget and Cost centre officers concerned.
- 9.3.10 Imprest holders shall maintain a cashbook to record all petty cash transactions made. The cashbook shall be checked and balanced before any reimbursement is made.

9.4 PETTY CASH COUNTING

- 9.4.1 The Head of Finance and Branch Managers shall arrange for irregular surprise checks of cash balances to be made at least once monthly.
- 9.4.2 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and countersigned by the Head of Finance and Branch Managers.

9.5 ACCOUNTING FOR PETTY CASH/IMPREST

DESCRIPTION	Accounts Codes	Debit	Credit
Transfer of funds from bank to petty cash			
Petty cash float	XXXX	XXX	
Ban Account	XXXX		XXX
When petty cash is issued			
Staff petty cash	XXXX	XXX	
Petty cash float	XXXX		XXX
Petty cash refund			
Petty cash float		XXX	
Staff petty cash			XXX

9.6 FORMS USED

Form	Reference
Petty cash book	REDESOF20
Petty cash voucher	REDESOF21
Petty cash reconciliation	REDESOF22

10 PROCUREMENT, STOCKS AND STORES

10.1 RESPONSIBILITY

- 10.1.1 The CEO shall be the person responsible for overseeing that the Supplies and Purchase functions are conducted efficiently and economically.
- 10.1.2 The Head of Finance shall advise the CEO on the best purchasing practices in order to obtain value for money spent.
- 10.1.3 It shall be the duty of the Senior Accountant to coordinate the preparation of a costed procurement plan.
- 10.1.4 The Governing Board shall authorize purchases of items not included in the Approved costed annual procurement plan (APP), if there are other sources of funding.
- 10.1.5 The Senior Accountant shall be responsible for procurement, and for the custody and handling of all stocks of and shall ensure that stores accounting procedures laid down by are observed.
- 10.1.6 The Accountant shall be responsible for effecting stores safeguards and ensuring that stocks are properly sheltered, protected and maintained.
- 10.1.7 The Head of Finance is responsible for establishing adequate arrangements for the custody and control of stocks and stores at head office and branches.
- 10.1.8 The Head of Finance shall be responsible for ensuring that regular inspections and stock checks are made and that reconciliations of all stock movements are carried out.
- 10.1.9 The Branch Managers/Programme Coordinators shall be responsible and custodian of accountable documents, other stationery and office materials in their respective offices.

10.2 PROCUREMENT PRINCIPLES AND METHODS

- 10.2.1 All procurement of goods, civil works and services shall be based on competition and open market unless only one source is available, urgency precludes competition or authorized by law.
- 10.2.2 Procurement of goods and services shall be made by competitive tendering using the methods prescribed in the Regulations, as determined by the Tender Committee, depending on the type and value of the procurement.

10.2.3 Procurement procedures of goods, civil works and services shall be as detailed in Procurement Manual Revised (2019)

10.3 CONTROLS OVER PROCUREMENTS

10.3.1 The Head of Finance shall make no commitment for financial expenditure without confirmation that funds are available and prior to clearance.

10.3.2 No officer shall place a purchase order unless the order is passed through the Accountant and evidence to support it must be approved by the CEO or Program Coordinator as the case may be.

10.3.3 All the accounting officers shall exercise proper stock control, Goods Received Notes (GRN) shall be prepared for all goods received from the suppliers, before the goods are taken into stock. The GRN should indicate the following information.

- (a) Name and address of supplier
- (b) LPO No and date
- (c) Delivery order number and date
- (d) Description of goods quantity price, total value and condition of goods e.g. damaged, good etc.
- (e) Signature of the official who checked the goods and signature of storekeeper.

10.3.4 All procurements shall be based on approved annual procurement plan (APP).

10.3.5 Ordering of goods or services shall be made by a Local Purchase Order (LPO) which shall be by the Budget and Cost centre officers and approved by the Head of Finance. The order shall show the description of goods or services required, and an estimate of the cost.

10.4 ISSUE OF STORES

10.4.1 The Head of Finance shall delegate the store keeping function to an individual who shall have no access to the procurement and stock accounting records, and shall be personally held responsible for:

- (a) Checking, handling and storage of goods in his/her care,
- (b) Checking and packing of stocks issued,
- (c) Losses of stocks,

(d) Stock damages arising out of his/her carelessness.

10.4.2 The Storekeeper or Budget and Cost centre officer shall issue stores upon presentation of a stores requisition. The requisitioning officer will complete the appropriate order form, and submit in triplicate to store keeper for necessary action, in accordance with the stores procedures.

10.4.3 Issue of stores by storekeeper or other person having charge of stores shall be supported by requisition signed by an authorized officer stating the quantity of goods required and account chargeable. A receipt of the stores issued shall be obtained on a stores issue voucher.

10.4.4 Issue of stock should normally not be made from a fresh consignment of stores while any balance of previous consignment remains, First in First out (FIFO).

10.4.5 Any person receiving clear notification of all instances of stores loss, such losses shall be classified as per this regulation as follows:

(a) Losses by fraud, theft, arson, and sabotage or from any other cause involving gross carelessness.

(b) Losses from "incidents of service" which include fire (other than arson) stress of weather and accident beyond the control of any responsible person.

(c) Losses due to deterioration in store, arising from a defect in administration.

(d) Losses due to natural causes such as evaporation.

10.4.6 For any loss that will happen due to fraud, theft, arson, and sabotage or from any other cause involving gross carelessness, the staff responsible shall be held accountable based on actual situation. Example, fraud, sabotage will result into termination but carelessness will result into compensating the organization.

10.5 STOCKTAKING

10.5.1 At the closure of every financial year and shortly before balance sheet date, a physical verification and valuation of stocks will be made on all stocks, store and moveable Non - Current Assets. The actual stocks on hand will be shown against ledger balances together with any resulting differences.

10.5.2 The procedures for the physical verification will be the responsibility of the Head of Finance in consultation with the CEO.

- 10.5.3** The Head of Finance shall issue Standard Verification instructions in sufficient time to ensure that all procedures are understood and the personnel to be involved properly assigned. The instructions will be copied to the External Auditors sufficiently in advance of the exercise to enable them to comment and to observe the proceedings.
- 10.5.4** The standard verification Instructions will cover the following minimum details:
- (a) Names of staff to be involved, and the roles of each,
 - (b) Initial preparations prior to the verification,
 - (c) Dates and time of execution,
 - (d) Details of categories of assets to be verified and the location of each,
 - (e) Documents and records to be used, and
 - (f) Detailed procedures to be followed.
- 10.5.5** The advance planning for physical inventory must include the following points:
- (a) Selection of the most advantageous date or dates for inventory taking,
 - (b) Arrangement of stocks and segregation of obsolete and defective goods,
 - (c) Preparation of tags and stock taking sheets, and
 - (d) Arrangement for the stoppage of stock issues during the stock verification and treatment of stocks received during the stock counting.
- 10.5.6** One representative from the Finance Department and one representative from the Internal Audit office shall be present at any stocktaking for the purpose of test checking.
- 10.5.7** Each Budget and Cost centre officer shall sign the stock sheets or stock-records in respect of stores under his control and certify that the particulars shown thereon are correct and forward a stock certificate to the Head of Finance.
- 10.5.8** Stores and the assets deemed to be surplus or obsolete shall be disposed of either by sale or destruction in accordance with the procedures stipulated in these procurement regulations (sale or disposal of assets).

10.6 ACCOUNTING FOR STOCKS

10.6.1 The system and procedures to be followed and documentation to be used to account for and control stocks are: -

- (a) The Accountant or his/her Assistant/store's officer receives goods into the store;
- (b) The Accountant or his/her Assistant/store's officer examine the goods for any visible damage and in collaboration with the user department, ensures that the goods are of good quality and as per the Purchase Order (PO);
- (c) If he/she is satisfied with the physical condition of goods received a Goods Received Note (GRN) as evidence of the receipt of goods is raised.

10.6.2 The Accountant or his/her Assistant reconciles the physical count to stock records every month.

10.6.3 At the end of the year an annual stock count is carried out under the overall supervision of the Accountant.

10.7 ACCOUNTING FOR STOCK AND STORE

DESCRIPTION	Accounts Codes	Debit	Credit
On Purchase of stock			
Stock control Account	Xxx	Xxx	
Bank Account	Xxx		Xxx
Cost of transport and clearing of goods			
Stock control Account	Xxx	Xxx	
Bank Account	Xxx		Xxx
On sale of stocks			
Bank Account or Customer Account		Xxx	
Sales Account	xxx		XXX
When the stock is withdrawn for official use			
Expense Account	xxx	xxx	
Stock Account			xxx
When stock is damaged or become obsolete			
Obsolescence Stock Account		xxx	
Stock Account			xxx

10.8 FORMS USED

Form	Reference
Goods Received Note	REDESO/F23
Materials Requisition & Issue Note	REDESO/F24
Materials Return Note	REDESO/F25
Stocktaking Sheet	REDESO/F26
Bin Card	REDESO/F27

11 FIXED AND IMMOVABLES ASSETS

11.1 GENERAL

11.1.1 Non-current assets represent tangible items of material value expected to benefit the REDESO for longer than 1 year. Buildings, capital projects, motor vehicles, bicycles, plants and other equipment acquired for use in operation of the business of REDESO and not intended for resale, repair, or incorporation in other assets shall be deemed to be Non - Current Assets.

11.2 ACCOUNTABILITY

11.2.1 It shall be the duty of the CEO, supported by the Head of Finance to ensure that all the assets of are provided with appropriate safeguards and protection against waste, misuse, fraud, theft, pilferage, misappropriation, destruction and other acts which may lead to loss of assets.

11.2.2 The CEO shall be responsible for ensuring that:

- (a) Assets are adequately insured against fire, theft and other hazards.
- (b) Proper documentation and controls are put in place
- (c) Assets are properly marked and indexed.
- (d) Appropriate registers are maintained for all fixed assets.
- (e) Appropriate physical controls are put in place to assure protection of assets. This would include placing and maintaining serviced fire fighting equipment in all buildings and stores.
- (f) Adequate fire fighting devices are maintained in strategic positions.
- (g) Devices are maintained in working orderly, and
- (h) Employees are trained in the use of the devices and on steps supposed to be taken in the outbreak of fire.

11.2.3 It shall be the duty of every employee of to whom assets of have been entrusted for use in doing their work or for mere custody, to exercise maximum care.

11.2.4 The Head of Finance is responsible for ensuring that acquisition, disposals, transfers; depreciation of fixed assets is properly controlled and recorded.

11.3 ACQUISITION OF FIXED ASSETS

- 11.3.1 The purchase, lease or rent of land, buildings or any other fixed assets can only be undertaken with authority from the Governing Board.
- 11.3.2 The acquisition of all fixed asset shall be undertaken centrally at Headquarters based on the need and request from the Branch Managers.
- 11.3.3 All the capital expenditure shall be within the approved annual budget and annual procurement plan (APP).
- 11.3.4 The stores officer or another technically qualified staff shall initially inspect deliveries of fixed assets acquired. The inspecting officer shall issue a Goods Received Note (GRN) to acknowledge the receipt of the assets in good order. A Copy of the GRN should be submitted to the designated Accountant in charge of the Assets Register for up dating of fixed asset register and books of accounts.
- 11.3.5 Issue of fixed assets to users shall be made through appropriate stores issue documents. All cost centres shall maintain an updated fixed assets register.
- 11.3.6 Authority limits given for recurrent expenditure purchases under **Regulation 5.4** shall also apply for procurement of fixed Assets.
- 11.3.7 The expenditure authorization process is similar to the ones described for payment and purchases.

11.4 CAPITAL WORKS.

- 11.4.1 For a capital project, a capital work in progress (CWIP) account will be opened with budget holder identified as responsible for expenditure. The budget holder will implement the project, raise any necessary purchase requisitions and monitor its physical implementation.
- 11.4.2 The Head of Finance shall monitor expenditure of capital projects. If expenditure on a capital project or on any component of a project exceeds the authorized budget, or the latest estimates exceed the budgeted completion costs, a new proposal must be resubmitted to the Executive Committee for approval.
- 11.4.3 The Head of Finance will prepare quarterly reports setting out details of capital expenditure against the budget and the likely out turn of each project and submit it to the CEO.
- 11.4.4 When a project is completed, the budget holder will raise completion advice in triplicate. The form will be sent to the Head of Finance who will:

- (a) Check the completeness of the relevant cost ledger record.
- (b) Code items covered by the completion advice and enter appropriate rates of depreciation.
- (c) Return the top copy to the budget holder and send the second copy to personnel responsible for updating the fixed asset register.
- (d) Retain the third copy, and use it preparing a journal voucher transferring costs to fixed assets expenses accounts where appropriate.

11.5 CONTROL OF FIXED ASSETS

11.5.1 All valuable documents such as Title Deeds, Performance Bonds, Vehicle Registration cards, Insurance policies and REDESO Seal shall be kept in safe custody of the CEO.

11.5.2 It shall be the responsibility of the Head of Finance to ensure the safe custody and proper up keep of all movable and unmovable assets of the Association/society.

11.5.3 The Head of Finance shall also be responsible for maintenance of Fixed Assets Register in which the following information shall be recorded in respect of all fixed assets (including work in progress) of the Association/society.

- (a) Name of the Asset category
- (b) Asset code and Asset Number (for motor vehicle make, year of manufacture, Registration No, Chassis No's, should be recorded)
- (c) Location
- (d) Depreciation method and rate
- (e) Details of asset procurements, transfers and disposal with dates and value
- (f) Revaluation amounts if any
- (g) Depreciation provision for the period
- (h) Cumulative totals of original/revalued costs, depreciation and net book value at the end of each quarter of accounting period.

- 11.5.4 At every location of office a list of fixed asset updated at the end of each quarter and signed by the officer in-charge shall be kept. Similarly, for all assets kept in the residential buildings owned by REDESO.
- 11.5.5 All fixed assets shall be classified under the following categories.
- (a) Land
 - (b) Building (office, residential, warehouse & others)
 - (c) Motor vehicles.
 - (d) Plant and machinery
 - (e) Furniture, fixture and fittings
 - (f) Office machinery and equipment
 - (g) Computers.
- 11.5.6 Each asset shall be given a unique asset number or identification number for control purposes.
- 11.5.7 Physical verification of assets shall be undertaken at all locations and reconciliation of the same shall be done with the certified Fixed Assets lists and Fixed Assets Register, at least once in every financial year/accounting period. The Head of Finance shall provide guidelines and necessary forms for this exercise.
- 11.5.8 The asset verification sheet should also indicate the general physical condition of the asset, to enable the management to know the repair and or rehabilitation needs and take appropriate decision either to improve the physical condition of the asset or for disposal.
- 11.5.9 Revaluation of fixed assets such as land and buildings may be undertaken after every five years with the approval of the Executive Committee. Whenever there are significant changes in the asset value the management should review the need for revaluation and seek decision from the Executive Committee.
- 11.5.10 Every movement of fixed assets from one location to another shall be effected only on the strength of Fixed Asset Movement Order (FAMO) issued by the Head of Finance and a copy shall be forwarded to the CEO.
- 11.5.11 Any spare keys for REDESO building and motor vehicles, shall be deposited in sealed envelopes by the chief cashier for safe custody. Senior officials designated by the Head of Finance or Branch Manager/Programme Coordinators as the case may be shall physically verify these keys once every month. After verification the keys should be

re deposited in sealed envelopes. The officials should certify in the **“Registers of Verification of Keys”** that the keys were all intact and found in order.

- 11.5.12 A separate file shall be maintained for each vehicle, to contain all related records – including copies of registration cards, particulars of insurance and drivers’ licenses.
- 11.5.13 A logbook shall be maintained in respect of each vehicle, showing details of every journey or trip made – when it started and ended, where, and the distance travelled, purpose of the journey and the signature of the officer in charge of the trip. The logbook shall also show details of fuel consumption – date and amount refuelled.
- 11.5.14 The Accountant in charge of REDESO’s vehicles shall ensure that log - books are maintained properly and up to date. To ensure this, he/she shall subject the logbooks to periodic checks by the internal audit division. Logbooks may also be required for external audit purposes.
- 11.5.15 Every vehicle shall be serviced as prescribed and a record of such servicing shall be maintained.
- 11.5.16 Officers responsible for motor vehicles may be required to refund REDESO, losses suffered due to their carelessness or failure to comply with Regulations relating to motor vehicles, for road uses.

11.6 DISPOSAL OF FIXED ASSETS

- 11.6.1 Disposal of all fixed assets shall be by sale or by destruction with approvals as follows:
- (a) Up to TZS 15,000,000= original value of the asset – Tender Committee upon approval by the CEO.
 - (b) Above TZS 15,000,000= original value of the asset –Tender Committee upon approval by the Governing Board.
- 11.6.2 All disposals including the mode of such disposal shall be initiated and recommended by the Senior Management Team.

11.7 DEPRECIATION POLICY

- 11.7.1 Fixed asset shall be depreciated based on the economic life of the asset and the degree of obsolescence.
- 11.7.2 REDESO fixed assets shall be depreciated on a straight-line method using the following rates.

Asset category	Rate per annum %
Office premises	4%
Residential	4%
Office Furniture	12.5%
Office equipment	12.5%
Computer	20%
Motor vehicle light	25%
Motor vehicle light	12.5%
Machinery	20%

11.7.3 All assets acquired within an accounting year and whose utilization within that year is more than six months shall be depreciation using the applicable full rate in the year of acquisition.

11.8 ACCOUNTING FOR FIXED ASSETS

DESCRIPTION	Accounts Codes	Debit	Credit
To close disposed asset			
Asset Disposal Account	Xxx	Xxx	
Asset Account	Xxx		Xxx
To transfer accumulated depreciation of asset disposed.			
Accumulated depreciation - asset	Xxx	Xxx	
Asset Disposal A/c	Xxx		Xxx
To record cash received on disposal			
Bank A/c		Xxx	
Asset Disposal A/C			XXX

11.9 FORMS USED

Form	Reference
Fixed Asset Register	REDESO/F28
Fixed Asset Control Sheet	REDESO/F29
Fixed Asset Disposal Note	REDESO/F30

12 TREASURY MANAGEMENT AND INVESTMENTS

12.1 POLICY AND AUTHORITY

- 12.1.1 Investment refers to deployment of surplus funds in areas outside the normal operations and therefore does not include amounts spent for acquiring or improving capital assets as per approved capital expenditure budget.
- 12.1.2 The Governing Board of REDESO shall cause development of investment policy providing overall guidance on how to employ surplus funds for investments in short term or long term and overall monitoring of investment portfolio which otherwise would remain idle and lose value (purchasing power) with the passage of time due to inflation.
- 12.1.3 The Governing Board has power to invest funds; properties and other assets of REDESO in such investments, and subject to such conditions as are prescribed by REDESO constitution in relation to investment.
- 12.1.4 REDESO may establish economically viable investment/projects for the purposes of augment REDESO sources of income and improving and facilitating the provision of goods and services to REDESO.
- 12.1.5 Short-term investments shall be investments within one year and any other investments more than one year shall be considered to be long-term investments.

12.2 SURPLUS FUNDS FOR INVESTMENTS

- 12.2.1 Surplus funds may be of short-term or long-term in nature. Short-term surplus may arise due to delays in utilizing the funds for the specific purpose for which they were received for and/or planned to be spent on.
- 12.2.2 Long-term surplus refers to internally generated accumulated cash reserves, which may not be utilized either for normal operations or for development purposes in the short or medium term.
- 12.2.3 Considering the current needs for undertaking substantial development activities to improve the working environment and facilities, it is unlikely that REDESO will be able to accumulate any long term cash reserve during the next couple of years.

12.1 INVESTMENT PORTFOLIO

- 12.1.1 The choice of investment portfolio shall be guided by the principles of liquidity and reasonable return on investment portfolio.

12.1.2 Opportunities for short-term investment are limited and they mainly include investment in bank short-term deposits and Treasury Bills.

12.1.3 In view of the need to have high liquidity REDESO organization will be in the normal course resort to Bank deposits maturing between one month and one year.

12.1.4 Long term investment portfolio may include buildings

12.2 SHORT AND LONG TERM LOANS

12.2.1 All REDESO loans, advances and bank overdrafts when required shall only be processed at the headquarters. Branches shall not obtain any loans, overdrafts or advances without approval of the CEO.

12.2.2 Before any loan, advances or overdraft is taken the Head of Finance shall prepare and submit to the CEO stating the purpose of the loan, source from which the loan can be secured, rate of interest, Repayment period and other terms and conditions of the loan.

12.2.3 All long and short-term loans shall require the approval of the Governing Board.

12.3 MONITORING OF INVESTMENTS

12.3.1 Authority to invest will be vested to Executive Committee in consultation with and approval from the Governing Board.

12.4 ACCOUNTING FOR INVESTMENTS

DESCRIPTION	Accounts Codes	Debit	Credit
Short term investments			
Current assets-FDR/TBs	XXX	XXX	
Bank account	XXX		XXX
Long term investments			
Non-current assets	XXX	XXX	
Bank account	XXX		XXX
Interest income on investments			
Bank account		XXX	
Income-investments			XXX
Matured investment/non-revolving			
Bank account	XXX	XXX	
Investment-short/long term	XXX		XXX

12.5 ACCOUNTING FOR LOANS AND ADVANCES

Short and long term loans			
Bank account	XXX	XXX	
Liabilities	XXX		XXX
Interest charges on loans			
Interest	XXX	XXX	
Bank account	XXX		XXX
Repayment of loans			
Liabilities-loan	XXX	XXX	
Bank account	XXX		XXX

13 ACCOUNTING SYSTEM AND ACCRUAL

13.1 RESPONSIBILITY.

- 13.1.1 The CEO shall ensure REDESO has a robust accounting system as the basis for overall financial management of the REDESO operations.
- 13.1.2 The Head of Finance shall be responsible for overall financial management ensuring a proper maintenance of accounting system for preparation of proper books of accounts in conformity with the International Financial Reporting Standards (IFRSs).
- 13.1.3 The Head of Finance shall ensure a good accounting system, properly organized, with a logical flow of data, which can be understood by every staff in the accounting, is in place.

13.2 CHART OF ACCOUNTS

- 13.2.1 Every class of transaction is recorded on the separate page called the 'Account'. The group of accounts comprises the ledger. Each Ledger page is identified by the code, or a specific name.
- 13.2.2 The chart of accounts provides the overall accounting structure and codes as the basis for posting of REDESO financial transactions.
- 13.2.3 The chart of accounts can be amended and expanded to cater for financial reporting needs of REDESO as considered appropriate from time to time.

13.3 ACCOUNT CODES AND RECORDS

- 13.3.1 These are the individual account addresses designed to facilitate the posting of various entries to appropriate accounts, under appropriate cost centres in the General Ledger.
- 13.3.2 A workable system of account codes or numbers should be simple, logical, easy to remember, and flexible enough to permit additions of new accounts without disturbing the logical sequence of the original scheme.
- 13.3.3 The account codes are used on all source documents and journal vouchers for posting transactions of REDESO.
- 13.3.4 All staff authorizing and issuing accounting records or documents will ensure that the correct code is entered against each transaction. In general, the main responsibility for coding will fall upon personnel in Accounting.

13.4 STRUCTURE OF ACCOUNTS CODES

13.4.1 The structure of the accounts codes will comprise digits that define the individual accounts' addresses, which are designed to facilitate the posting of various entries to the relevant revenue or expenditure or assets or liability accounts, under various cost centres in the general ledger.

13.4.2 The **Four-Digit Account Code (XXXX)** denotes the logical groups and sub-groups necessary to be implemented in any accounting system. The designed Structure is necessary to provide the required analysis of income and expenditure as well as compilation of accounting information.

13.4.3 The first digit in the block of four codes indicates the major account group. Each of these groups is divided into sub-groups and sub-divisions. In turn, the major classification is divided into specific General Ledger accounts as summarized below:

Category	Codes	Major Account Group	Sub-Group	Sub-divisions	Sub Ledger
Assets	XXXX	Fixed assets and long-term investments	<ol style="list-style-type: none"> 1. Building and structures; 2. Motor vehicles; 3. Plant and Equipment; 4. Furniture and Fittings; 5. Capital work in progress; and 6. Long term Investments. 		
	XXXX	Current assets and short-term investments	<ol style="list-style-type: none"> 1. Stocks and supplies; 2. Debtors, prepayments and claims; 3. Cash, Bank and Short-term Investments; and 4. Deferred charges. 		

Category	Codes	Major Account Group	Sub-Group	Sub-divisions	Sub Ledger
	XXXX	Liabilities	<ol style="list-style-type: none"> 1. Long term liabilities; 2. Accounts payable 3. Staff related liabilities; 4. Suspense Accounts; 5. Deferred Tax; and 6. Other Liabilities. 		
	XXXX	Capital and reserves	<ol style="list-style-type: none"> 1. Reserves; 2. Grants; 3. Provision and charges. 		
	XXXX	Revenue	<ol style="list-style-type: none"> 1. Major Revenues 2. Other incomes 		
	XXXX	Administrative expenditure	<ol style="list-style-type: none"> 1. Salaries and allowances 2. Maintenance Costs 3. Depreciation Expenses 4. Motor running Expenses 5. Office Expenses 6. Travelling Expenses and 7. General Expenses 		
	XXXX	Financial and selling	<ol style="list-style-type: none"> 1. Financial charges. 2. Selling Expenses 		

13.5 PROCEDURE FOR ACCRUALS AND PREPAYMENTS

- 13.5.1** The Accountant should at the end of the financial period examine REDESO's records to establish goods or services received during the period, for which no charge has been received from the supplier (invoices not submitted) or no accounting action taken (invoices received but not processed), for example, utilities and telephone for which the supplier submits invoices in arrears.
- 13.5.2** The Accountant should contact suppliers who have not submitted invoices, request for outstanding amounts and checks against orders (where relevant) and accrues all invoices to be sent to REDESO.
- 13.5.3** For expenses paid in advance within the same financial year or relates to subsequent financial year such as insurance premiums and rents, for which REDESO will only receive the benefit or make use of in future financial periods, will constitute prepaid expenses and will be accounted as follows:

DESCRIPTION	Accounts Codes	Debit	Credit
Accrual for expenses incurred but not invoiced			
Expenses account	Xxx	Xxx	
Accrual account	Xxx		Xxx
Accrual for income earned but not billed			
Income	Xxx	Xxx	
Accrued income	Xxx		Xxx
Prepaid expenses			
Prepayments	Xxx	Xxx	
Expenses	Xxx		Xxx
Reversing accrued expenses			
Accruals	Xxx	Xxx	
Expenses	Xxx		Xxx
Reversing accrued income			
Revenue account	Xxx	Xxx	
Accrued revenue account	Xxx		Xxx
Amortisation of prepaid expenses			
Expenses account	Xxx	Xxx	
Prepaid expenses	Xxx		Xxx

13.1 FORMS USED

Form	Reference
Journal Vouchers	REDESO/F32
Chart of accounts/codes	REDESO/F33

14 FINAL ACCOUNTS AND AUDIT

14.1 RESPONSIBILITY.

- 14.1.1 The CEO shall submit or cause to be submitted to the REDESO Statutory Auditors the annual Financial Statements within three months after each year financial year-end for audit.
- 14.1.2 The CEO is responsible to ensure preparation, reporting and auditing of REDESO books of accounts as required by different stakeholders.
- 14.1.3 The Head of Finance shall prepare all other Financial Reports and schedules necessary required on monthly, quarterly, half yearly and annually as detailed in this financial regulations.
- 14.1.4 The Head of Finance is responsible to ensure the following:
- (a) Preparation and reporting of REDESO books of accounts quarterly, half yearly and annually as required by different stakeholders.
 - (b) The books of accounts shall be prepared in conformity with the International Financial Reporting Standards (IFRSs).
 - (c) Monthly performance reports are prepared as detailed in the financial regulations on due dates (three days after the end of respective month)
 - (d) Ensure that all moneys received are properly brought to account and all payments out of its moneys are correctly made and properly authorized and adequately control is maintained over its property and over the incurring of liabilities.
 - (e) Adequate and appropriate records are kept to evidence all movements of resources into and out of REDESO.

14.2 ACCOUNTING POLICIES AND PRACTICES

- 14.2.1 The Annual Financial Statements shall be prepared on historical/ cost convention basis and may be modified to include revaluation of Non - Current Assets.
- 14.2.2 The accounts of REDESO shall be prepared following the accrual basis principle.
- 14.2.3 A voucher shall support every entry in the accounts and other approved document containing full details and particulars of item or items to which it relates.

- 14.2.4 REDESO shall charge expenditure of every year to revenue of the same year as approved in the budget in accordance with the Accrual Accounting Principle, which provides that no expenditure of the current year shall be charged against revenues of the following year.
- 14.2.5 In accordance with the matching principle of accounting, it shall be the duty of the Accountant to ensure that expenditures of the current year are matched to their related revenues generated during the current year regardless of the date of effecting payment.
- 14.2.6 The CEO shall within a period of three months after the end of each financial year prepare and submit to the External Auditor, approved by the AGM, the financial statements of REDESO for statutory audit.
- 14.2.7 The Management of REDESO shall determine, from time to time, the appropriate accounting policies in conformity with International Financial Reporting Standards (IFRS).
- 14.2.8 The policies shall be approved by Governing Board before they are effected in the preparation of Financial Statements of REDESO
- 14.2.9 The detailed accounting procedures and practices shall be embodied in financial regulations, staff regulations, procurement manual where these are operational.
- 14.2.10 The Governing Board shall approve such the financial regulations, staff regulations and procurement manual to be companion guides to the REDESO financial regulations.

14.3 INTERNAL AND EXTERNAL REPORTING

- 14.3.1 According to **Article 17** and **18** of the Constitution, REDESO shall keep proper books of accounts and records of its transactions and affairs and shall ensure that all monies received are properly accounted for and all payments are properly authorized and correctly made and adequate control is maintained over its assets and liabilities.
- 14.3.2 REDESO shall prepare annual financial statements in accordance with International Financial Reporting Standards (IFRSs) and the appointed qualified and competent External Auditor shall audit these annual accounts.
- 14.3.3 Reconciliation of the main books of accounts with subsidiary records and bank account statement of all bank accounts shall be carried out on a regular basis and in any case at least once every month.
- 14.3.4 All financial transactions shall be processed in the financial management system, the basis for preparation of books of accounts.

- 14.3.5 It is a statutory requirement that REDESO should prepare annual financial accounts, which will be audited by the appointed external auditor and approved by the Governing Board.
- 14.3.6 The Association shall ensure that there is an Internal Auditor reporting directly to the CEO. The Internal auditor will prepare monthly and quarterly audit reports.
- 14.3.7 The Association shall keep accounts and records of its transactions and affairs and shall ensure that all money received are properly brought to account and all payments out of its money are correctly made and properly authorized and adequate control is maintained over its property and over the organization.
- 14.3.8 Authorized and competent external Auditor shall audit the annual accounts of REDESO.

14.4 STATUTORY AUDITS

- 14.4.1 The REDESO statutory external auditors shall have authority to:
- (a) Access REDESO premises at reasonable times
 - (b) Access all assets, records, documents and correspondence relating to any financial and other transactions of REDESO,
 - (c) Require and receive such explanations as are necessary concerning any matter under examination,
 - (d) Require any employee of REDESO to account for cash, stores or any other REDESO property under his/her control, and
 - (e) Access records belonging to third parties, such as contractors when required.
- 14.4.2 The primary role of external audit is to report on REDESO annual Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.
- 14.4.3 It shall be the duty of the Head of Finance to obtain written acknowledgement of all accounting books and records and returns and any other documents related to these and hand them over to the REDESO Auditors for conduct the audit of the Accounts of the REDESO.
- 14.4.4 It shall be the duty of the Head of Finance shall promptly reply to any observations and queries raised by the REDESO Auditors.

14.4.5 The Chief Executive Officer shall submit to the Governing Board the Auditor's Report on the accounts of the REDESO as soon as practicable but not later than the subsequent Governing Board meeting.

14.4.6 The REDESO may, from time to time, be subject to audit or investigation by statutory external bodies such as the Tanzania Revenue Authority.

14.5 YEAR-END PROCEDURES AND AUDIT

14.5.1 A few weeks before the year-end, the Head of Finance should ensure that financial period year-end cut-off procedures are adhered. Accruals and prepayments should be considered and computed.

14.5.2 Books of accounts of REDESO shall be audited by appointed competent external audit firm registered by the National Board of Accountants and Auditors for 3 years' term, with eligibility for renewal for another term of 3 years.

14.5.3 The Accountant should submit a proposed timetable for audit to the appointed. The timetable information should include the date when:

- (a) A draft set of financial statements will be available;
- (b) The Auditor staff can begin their audit; and
- (c) The audited financial statements have to be submitted to the Governing Board.

14.5.4 It is the duty of the Accountant to ensure that copies of the following schedules are made available to the external auditors:

- (a) The final general ledger listing;
- (b) A statement of fixed assets in columnar form showing in respect of each group:
- (c) Balances as at the end of the previous year;
- (d) Additions and disposals;
- (e) Depreciation charges; and
- (f) Balance at the balance sheet date.
- (g) A schedule of accounts payable;
- (h) A summary of stock held at each store point at the balance sheet date;
- (i) A schedule of prepaid expenses;
- (j) A schedule of cash and bank balances at the date of balance

sheet supported by reconciliation statements in respect of each bank balance; and

(k) Any other schedule that may be necessary.

14.6 REPORT FORMATS

Form	Reference
Monthly reports	
Trial balance	REDESO/F33
Revenue report	REDESO/F34
Expenditure report	REDESO/F35
Cash flow statement	REDESO/F36
Variance analysis report for revenues and expenditure (actual v/s budgets)	REDESO/F37
Audited financial statements	
Governing Board's Report	REDESO/F38
A balance sheet	REDESO/F39
Income statement	REDESO/F40
A statement of changes in equity	REDESO/F41
A cash flow statement	REDESO/F42
Notes to the financial statements comprising accounting policies and other explanatory notes	REDESO/F43

15 IRREGULARITIES, STAFF CONDUCT AND PROHIBITIONS

15.1 ACCOUNTABILITY

- 15.1.1 On occurrence of any loss of REDES0 property from whatever cause shall be reported immediately to the CEO, DCEO, the Head of Finance, Head of Internal Audit (Project Quality Assurance Manager).
- 15.1.2 Such a loss report shall contain information on where the loss occurred, officers involved, circumstances in which the loss occurred, proposed action or action taken.
- 15.1.3 The Head of Finance shall be informed immediately whenever any matter arises which involves, or is thought to involve, financial irregularities in the exercise of the functions of REDES0.
- 15.1.4 Head of Finance shall inform the CEO and DCEO for programme related losses, any such reports so that the CEO, in turn, may inform the Management Committee and the Governing Board as appropriate to the particular seriousness of the incident in question.

15.2 LOSS CIRCUMSTANCES

15.2.1 Where the loss is:

- (a) Not due to negligence or dishonesty of an officer of the REDES0, the Chief Executive Officer will take such action as he may deem fit.
- (b) Due to dishonesty and/or negligence on the part of the member of staff of the REDES0 the Chief Executive Officer shall immediately report the matter to the Police depending on the materiality and the circumstance under which the loss happened.
- (c) Where the circumstances under which the loss of REDES0 money or property is not apparent, the CEO shall immediately appoint an inquiry committee for detailed investigation. On receipt of such report, the Chief Executive Officer shall report to the police or take such measure, as he may deem necessary.

- 15.2.2 An officer of REDES0 who discovers a loss or irregularities regarding the handling of REDES0 assets, money or property shall report immediately the circumstances to the cost centre officer who shall take up the matter as required by [Regulation 15.1](#)

15.2.3 It is not within the discretion of any member of staff to withhold a report of any case of loss notwithstanding that restitution is to be made.

15.3 CONDUCT OF STAFF AND MEMBERS

15.3.1 All REDESOS staff and members are required to adhere to the staff regulations, code of conduct and ethics, and staff manual/handbook

15.3.2 REDESOS staff and members at all levels are expected to observe the three fundamental principles for all organizations reflected in the concepts of integrity and accountability, in relation to:

- (a) Probity and propriety
- (b) Selflessness, objectivity and honesty
- (c) Relationships.

15.4 PROHIBITIONS

15.4.1 REDESOS officers, Tender Committee members and branch managers as well as tenderers, suppliers, contractors shall proceed in a transparent and accountable manner during the procurement and execution of contracts.

15.4.2 Where REDESOS or another approving authority is, after appropriate investigations, satisfied that any person or firm, to which it is proposed that a tender be awarded, has engaged in corrupt or fraudulent practices in competing for the contract in question, REDESOS or the approving authority may: -

- (a) reject a proposal for award of such contract
- (b) declare any person or firm ineligible for a period of ten years to be awarded a public financed contract.

15.4.3 No person, whether such person has made an offer or not shall, with intent to gaining any advantage or concession for himself or any other person;

- (c) offer any member or an associate of a member of a Tender committee or any employee or an associate of an employee of a Tender committee or any consultant or an associate of any consultant or a person or an associate of any person providing services, a gift of money other valuable thing; or
- (d) approach any member or any associate of a member of a Tender Board or its committee or any of its officers or an associate of any officer with respect to any matter that is before

that Tender Committee or committee or that is expected to come before a Tender Committee.

- 15.4.4 No member of REDESOC or member of the Tender Committee shall accept a gratuity in any form, any offer of employment or any other thing, service or value as an inducement with respect to an act or decision of, or procedure followed by, REDESOC in connection with any procurement proceedings or tender; and REDESOC shall promptly reject a tender of any supplier, contractor or consultant who gives, agrees to give or offers, directly or indirectly any such inducement.
- 15.4.5 Procurement shall not be made from a public officer or associate of a public officer acting in a private capacity, either alone or as a partner in a partnership or as an officer of a company.
- 15.4.6 REDESOC shall not include in any tender documents any condition or specification such as to favour any one supplier, contractor or consultant.
- 15.4.7 Any member of the Tender Committee or REDESOC member of staff shall declare any interest that he may have in any supplier, contractor or consultant, and shall take no part, nor seek to influence in any way, procurement proceedings in which that supplier, contractor or consultant is involved or liable to become involved.
- 15.4.8 Any tender proved to have been awarded on the basis of inducement as provided in the preceding subsections shall be revoked forthwith and the same shall be reported to the relevant professional body for ethical proceedings.
- 15.4.9 A supplier, contractor or consultant whose tender proposal has been rejected or revoked on the grounds of inducement and corrupt practices shall not be able to qualify or pre-qualify in any procurement proceedings during the ten years following the date of the notice of such rejection or revocation.
- 15.4.10 Any rejection or revocation on the grounds of inducement or corrupt practices shall not be able to qualify or pre-qualify in any procurement proceedings during the ten years following the date of the notice of such rejection or revocation.
- 15.4.11 A supplier, contractor or consultant, in relation to REDESOC contract shall, within thirty days after the execution of the contract, furnish in writing to the Prevention of Corruption Bureau/Police a statement: -

- (a) Stating particulars of any consideration given or to be given to any person or organization for the purpose of as a commission for obtaining the contract; and
- (b) Giving the names of the persons to whom and the organization to which any such consideration was or is to be given.

15.4.12 If no such consideration is to be given to any person or organization, a statement furnished pursuant to [sub-regulation 15.4.11](#) above shall so state.

APPROVAL

These Financial Management Regulations have been approved by REDESO Governing Board _____ to be effective from _____ and are such approval is hereby confirmed by the undersigned.

15.5 APPROVAL OF FINANCIAL REGULATION AND MANUAL

APPROVED BY:

CHAIRMAN OF THE BOARD

SECRETARY OF THE BOARD

Name: SEVEN MPODIA

Name: ABED KASAI

Signature: [Signature]

Signature: [Signature]

Date: 17/4/2021

Date: 17/4/2021

