Women NGOs Secretariat of Liberia
(WONGOSOL)

Financial Management Manual

2nd Edition
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1.0 OVERVIEW – MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear WONGOSOL Employees,

I am delighted to share an important development with you all — the implementation of the Second Edition of WONGOSOL's Financial Management Manual, effective January 1, 2025.

This updated manual reflects our unwavering commitment to maintaining the highest standards of fiscal management and internal control. It serves as a comprehensive guide to the accounting policies and procedures that will enable us to operate with greater transparency, efficiency, and accountability.

As a proud member of the Women NGO Secretariat of Liberia, each of you plays a critical role in upholding the trust and confidence of our Board of Directors, donors, grantors, and regulatory bodies. Adhering to these updated policies ensures we not only meet but exceed our obligations for accurate financial reporting and responsible resource management.

I encourage every member of our team to review this updated manual thoroughly and embrace its implementation with the same dedication you bring to all your work. Together, we will strengthen WONGOSOL's reputation and continue to secure vital funding for our mission to empower women across Liberia.

Thank you for your unwavering commitment to excellence and integrity. Let us work together to make 2025 a landmark year for WONGOSOL!

Sincerely,

Mrs. Esther S. Davis Yango
Executive Director
Women NGO Secretariat of Liberia

1.1 Introduction

The purpose of this Financial Management Manual is to establish a clear framework for the fiscal management and accountability within the Women NGO Secretariat of Liberia (WONGOSOL). This manual serves as a comprehensive guide for WONGOSOL's financial practices, ensuring that all activities align with Generally Accepted Accounting Principles (GAAP) and adhere to the highest standards of financial integrity and transparency.

1.1 Scope

This manual applies to all financial transactions and activities conducted by WONGOSOL, encompassing areas such as budgeting, accounting, financial reporting, asset management, procurement, and compliance. It is intended for the use by the Board of Directors, management, finance staff, program and any other personnel involved in financial operations. This ensures consistency and standardization in financial practices across WONGOSOL.

1.2 Objective

The objective of this manual is to:

a. **Provide Guidance**: Offer clear and detailed instructions for financial management, enabling staff to carry out their duties effectively and in accordance with established standards.
b. **Ensure Compliance**: Facilitate compliance with relevant laws, regulations, and accounting standards, ensuring WONGOSOL operates within legal and ethical boundaries.
c. **Promote Accountability**: Establish accountability by defining roles and responsibilities related to financial activities, thereby enhancing oversight and control.
d. **Enhance Financial Integrity**: Foster financial integrity through robust internal controls and procedures that safeguard assets and prevent fraud and mismanagement.
e. **Support Decision Making**: Provide reliable financial information that supports informed decision-making by the board and management.
f. **Facilitate Audits**: Ensure that financial records are maintained in a manner that supports both internal and external audits, thereby enhancing credibility with stakeholders.

1.3 Manual Maintenance and Review

To remain effective and relevant, this manual will be subject to regular review and updates. The responsibility for maintaining the manual lies with the Executive Director (ED) and the Finance Manager. Reviews will be conducted annually, or more frequently, if necessary, to reflect changes in laws, regulations, and organizational needs. Any proposed changes will be documented, reviewed, and approved by the Board of Directors before implementation.

1.4 Using the Manual

Staff members are encouraged to familiarize themselves with the policies and procedures contained in this manual and to use it as a reference in their daily activities. Questions or uncertainties about any aspect of the manual should be directed to the finance department for clarification.

This manual represents a commitment to financial excellence and accountability, ensuring that WONGOSOL manages its resources effectively to fulfill its mission and objectives.

1.5 Organizational Structure

The financial management of WONGOSOL is designed to ensure transparency, accountability, and efficient use of resources. WONGOSOL structure outlined below provides a clear delineation of roles and responsibilities within the finance department, ensuring that financial activities are conducted in accordance with Generally Accepted Accounting Principles (GAAP) and best practices.

1.6 Mission

The Women NGO Secretariat of Liberia's mission is committed to empowering women and girls, strengthen network members' and promote the freedom and human rights of women and girls and other marginalized groups

1.7 Vision

At WONGOSOL, our vision is built on the belief of just and equitable society where women and girls' human rights and dignity are promoted, respected and gender equality is achieved.

1.8 Values

Our values are based on the principles of Transparency, Accountability, Integrity, Equal opportunity, Mutual respect, Democracy, and Empowerment.

2.0 ACCOUNTING POLICIES

WONGOSOL is committed to maintaining accurate, reliable, and transparent financial records in accordance with Generally Accepted Accounting Principles (GAAP). These accounting policies provide a framework for consistent financial reporting and management across WONGOSOL, ensuring that all financial transactions are recorded and reported accurately.

2.1 Basis of Accounting

***2.1.1 Policy Statement*:** WONGOSOL uses a hybrid cash and accrual basis of accounting, given the need as stipulated by its donor and in compliance with Generally Accepted Accounting Principles (GAAP).

2.1.2 Procedure:

Under the accrual basis of accounting, the following practices are observed:

a. Revenue is recorded when earned, which typically occurs when services are provided, or goods are delivered.
b. Expenses are recognized when they are incurred, meaning when a liability is created or resources are consumed, not necessarily when cash is paid.
c. Financial statements will reflect accrued revenues and expenses, providing a more accurate picture of WONGOSOL's financial position.

Under the cash basis of accounting given donor requirements, the following practices are observed:

a. Revenue is recorded when cash is received, regardless of when the goods or services were delivered.

d. Expenses are recorded when cash is paid out, regardless of when the expense was incurred.

2.4 Currency and Foreign Exchange Transactions

2.4.1 Policy Statement: WONGOSOL maintains a dual currency system in its accounting practices and record keeping, The Liberian Dollars and the United States Dollars (USD) and will record foreign currency transactions at the exchange rate prevailing at the transaction date. Provision for additional currencies is considered under this manual. Gains or losses from foreign currencies exchange fluctuations are recognized in the financial statements.

2.4.2 Procedure:

a. Transactions in foreign currencies will be translated into USD at the exchange rate on the date of the transaction.
b. Monetary assets and liabilities denominated in foreign currencies will be translated at the exchange rate on the balance sheet date.
c. Foreign exchange gains and losses will be reported in the income statement as part of financial income or expenses.

2.5 Property and Equipment Management

2.5.1 Introduction

The management and safeguarding of the organization's **property and equipment** are critical to effective operations and financial accountability. The following principles apply to all assets, such as computers, motor vehicles, furniture, and fixtures:

a. The organization shall maintain a **Fixed Asset Register** to record all fixed assets, ensuring that:
    a) All fixed assets are properly acquired, recorded, and maintained.
    b) The location and condition of all fixed assets are monitored during their useful life.
    c) Disposals of fixed assets are properly authorized and recorded.
    d) Key assets are properly insured.
b. All fixed assets are under the overall custody of the **Finance Department**, with each asset assigned to a unit.
c. The **unit head** is responsible for keeping assets in a good and secured condition.
d. The goal is to control the use, receipt, and disposal of each type of property and equipment and its balances in the books of account.
e. All property and equipment valued at more than **LD$19,800.00** shall be assigned an inventory number, affixed to the asset with painted numbers, adhesive labels, or comparable identification tags.
f. The **Accountant/Finance Officer** is responsible for the receipt, issuance, maintenance, movement, transfer, and disposal of all property and equipment.
g. **Accountability forms** must be signed by anyone to whom an asset is assigned.
h. A **physical inventory** of property and equipment shall be conducted at the end of each financial year and reconciled with the asset register.

2.5.2 Acquisition of Fixed Assets and Property

Capital Expenditure (CAPEX) includes purchases of property or equipment valued at more than **LD$198,000.00** and lower-value items with a useful life of more than one year. This also includes replacement items purchased in bulk.

Requests for **CAPEX** will follow regular procurement procedures, and payment will be made by cheque or electronical transfer, where necessary when the following conditions are met:

a. A minimum of **three quotations**, with all correspondence requesting the quotations.
b. A **quotation analysis cover letter** detailing at least three reasons for the successful bid.
c. **LPO** (legal process outsourcings) from the supplier, along with a **delivery note** signed and stamped by authorized staff.
d. **Invoice** from the supplier, stamped for asset capture in the asset register.
e. **Approval** from the purchasing project.

2.5.3 Disposal of Property and Equipment

Assets may be disposed of through sale, transfer to other projects, or donations to other parties. The Board must authorize all disposals.

A pre-numbered disposal form shall be completed by the finance department and approved by the board. The form should include:

a. Asset description
b. Date and cost of acquisition
    i. Bids received
    ii. Reason for disposal
c. A copy of the disposal form must be forwarded to finance and attached to the cash receipts.
d. **The sale of assets** should be conducted on a **competitive bid** basis, where possible, and be properly documented.
e. The **Property and Equipment Register** shall be marked **DISPOSED**, **SOLD**, or **DONATED** upon disposal, with reference to the sale documents.

2.5.4 Other General Controls over Property

The organization's fixed assets must be protected from damage, theft, or destruction. Documents of title for assets must be kept in safe custody by the finance department and controlled through a register. A Fixed Assets Register shall be maintained and updated regularly. An alphanumeric fixed assets code number will be assigned to each asset, entered into the fixed assets register, and tagged on the asset. Physical verification of assets will be conducted at the end of each year, with a report issued by the Accountant/Finance Officer on the status of the assets.

Other methods to protect physical assets may include:

a. Locking office doors when possible.
b. Conducting routine maintenance inspections.
c. Maintaining and reviewing the fixed asset inventory listing.

2.5.5 Controls over Motor Vehicles

Every **vehicle** must have a **work ticket (log-sheet)** that records:

a. Starting and closing mileage
b. Purpose of the journey
c. Officer approving the journey
d. Quantity of petrol purchased
e. Name of the driver

At the end of each month, a summary should be made of:

a. Mileage covered
b. Fuel consumed
c. Servicing or repairs done

All vehicles must be registered in the organization's name, not an individual's name. The organization's vehicles should be housed at the office, fully insured, and depreciated accordingly. Vehicles shall be used strictly for **official duties**. The **Accountant/Finance Officer** should ensure proper management of vehicles by:

a. Keeping a vehicle **maintenance and repairs record**.
b. Ensuring **regular servicing**.
c. Writing up a **work ticket** whenever a vehicle is used.
d. Following a clear procedure for **buying and recording fuel usage**.
e. Establishing procedures for reporting **vehicle problems**.
f. Clearly spelling out actions to be taken in the event of an **accident**.
g. Setting rules for **personal use** of vehicles.
h. Reviewing **work tickets** regularly to assess how vehicles are used.
i. Planning vehicle usage with staff.
j. Establishing clear procedures for **authorization** and usage.

To manage motor vehicle risks, the **Accountant/Finance Officer** shall ensure:

a. Up-to-date **insurance coverage** for all vehicles.
b. Vehicles are in **good working condition**.
c. Vehicles are **safely parked**.
d. Only **authorized passengers** or goods are carried in the right quantities.
e. Safe speeds are maintained, and all occupants wear **seat belts** while traveling.

3.0 SEGREGATION OF DUTIES

Policy Statement: WONGOSOL will implement appropriate segregation of duties to prevent fraud and ensure accurate financial reporting.

Procedure:

- No single individual will control all aspects of any significant financial transaction. For example, authorization, recording, and custody of assets will be performed by different individuals.
- Regular reviews and audits will be conducted to ensure compliance with segregation of duties and to identify any weaknesses in internal controls.

4.0 BUDGETING

Policy Statement: WONGOSOL prepares an annual budget that reflects WONGOSOL's financial plan and supports effective management and control of resources. In consonance with its accounting period, WONGOSOL will maintain the following budgets during the fiscal year:

4.1. **Core Organization Budget**

The focus of this budget is to cover the fundamental operational costs necessary for WONGOSOL to function. This includes administrative costs (salaries, rent, utilities), General and overhead expenses (insurance, legal fees, accounting, auditing), fundraising and development costs, board and staff development. The purpose of this budget is to ensure WONGOSOL's ongoing sustainability and capacity to deliver programs.

4.1.2 The Program or Activity Budget

The program or activity budget focuses on specific projects, initiatives, or programs that align with WONGOSOL's mission. This includes Direct program costs (staff salaries, supplies, equipment), indirect costs (a portion of overhead costs allocated to the program), and evaluation and monitoring costs. The purpose of this budget is to fund the delivery of specific services or the achievement of goals. This budget is donor driven but can sometimes be organizational driven if WONGOSOL seeks to implement its corporate-social responsibility.

4.1.3 Budget Preparation and Approval Cycle

Policy Statement: Budget preparation shall be zero based as different projects are implemented in different phases. WONGOSOL annual budgeting period starts from the 1st of October each year and ends by the 10th of December.

4.1.4 Procedures:

The budget planning process starts in **October**. All staff review their previous year's budgets with the Accounting/Finance Officer to evaluate what will be continued, revised, or added (new) for the coming year. The unit heads/program officers prepare an initial line-item budget to be submitted to the Management team via the Accountant/Finance Officer by 20th October for review.

a. **November**: The Accountant/Finance Officer and department head/project officers would then incorporate management suggestions into a refined balance budget by 20th November.

b. **December**: The budget is submitted to the Board by the Executive Director by the 10th of December for approval ready for implementation for the following year.

c. Every project office/unit head must restrict expenditure within the limit of available funds once approval has been done. The operational budget and plan will be used to guide daily management of expenditure. Budget monitoring shall be the responsibility of the project officer or unit's head.

d. Budget cycle shall be determined by the project phase of six (6) months to one (1) year as determined by WONGOSOL and any other donors from time to time. The size of the budget shall depend on the activity levels of WONGOSOL. The budgeting process starts by all staff overseeing project/ units generating activities & budgets for their respective projects/areas. Budgets are shared with finance for review (check if: costs are reasonable, well calculated, complete, fit donor requirements).

e. The finance staff will then consolidate all individual budgets into an organizational-wide budget. Subsequently the finance staff will share budgets with management for review. the finance/program are formally approved by the management feedback if any.

f. The core organizational budget is prepared by the administration through the finance department in consultation with other departments, reviewed by the Executive Director, and approved by the board of directors. it is necessary to start planning early enough to provide sufficient time for review and approval ahead of implementation. Specifically, the budget planning process should

Every project office/unit head must restrict expenditure within the limit of available funds once approval has been done. The operational budget and plan will be used to guide daily management of expenditure. Budget monitoring shall be the responsibility of the project officer or unit head.

The Accountant/Finance officer shall oversea the overall monitoring and reporting. Project actual costs are to be prepare by the Accountant/Finance Officer monthly and these are compared to the (originally) approve budget lines. The budget will always therefore be incorporated in the financial reports, to compare actual spending or revenue against what was planned.

All variances of more than 10% of the budgeted amounts shall be investigated and corrective action recommended. Budget amendment must be approved beforehand. Proposal for budget amendment is generated by Accountant/Finance Officer or project officers and shared with the management, Board or Donors for approval. The finance units should provide a budget vs. Actual income and expenditure report every month to every project office for his/her project The project officers are expected to review these reports for accuracy, completeness as well as level of progress against budget/plan.

5.0 CASH RECEIPTS

5.1.2 Policy Statement: WONGOSOL will implement controls to ensure that cash receipts are recorded accurately and deposited promptly to safeguard assets.

Procedure:

5.1.3 All cash receipts will be recorded immediately upon receipt and deposited into the bank within two business days.

5.1.4 All receipts in the name of WONGOSOL (cash, cheques) shall be recorded on an official pre-numbered receipt in duplicate or petty cash voucher clearly marked "INCOME".

5.1.5 All cash receipts should be counted and verified by the Accountant/Finance Officer before being deposited intact to the petty cash box on the same day and banked at the latest the following banking day.

5.1.6 All banking shall be supported by the pay-in-slips stamped by the bank. Physical handling of cash shall be the responsibility of the Cashier/Administrative Assistant or any other authorized officer and must be separated from recording and accounting functions.

5.1.7 Official Receipts will be issued as follows:

a. original copy to payer, donor, or funding agency
b. duplicate copy to be kept as file copy (remains in the booklet).
c. Unused receipt booklets shall be in the custody of the Accountant/Finance Officer, and a register of issuances shall be maintained to control the use of receipt books.
d. The Accountant/Finance Officer is expected to record all cash receipts in the Books and posts in the cash receipts book and to the subsidiary ledgers. These should be reconciled to the physical documents periodically.
e. The official receipts voucher generated should be filed together with the supporting documents.

5.1.8 Receipts should be completed with information on Date; Received from (Payer); Amount in words and figures; Description; Account codes and class; Subsidiary reference and Cashier's signature.

5.1.9 Whenever a receipt is cancelled, the original shall be left in the receipt book with brief comments as to why it was cancelled. And if another receipt is issued in its place, this should be indicated on the cancelled one e.g. "cancelled, replaced by receipt No.....". Care should be taken to ensure that funding partner requirements regarding the handling of their funds are strictly observed and especially ensuring that all their grants and other receipts for projects are banked in separate bank accounts.

5.1.10 Cash received should NOT be added to a petty cash float or used to make payments. All cash received will be banked **INTACT**.

6.0 BANK MANAGEMENT AND RECONCILIATION

6.1.1 Bank Management

WONGOSOL shall maintain bank accounts for the secure storage of its funds. The number of accounts to be opened and maintained will vary depending on WONGOSOL's specific needs. However, it is important to minimize the number of accounts to streamline operations and reduce administrative overhead.

Key Considerations for Bank Account Management:

- **Account Purpose:** Each bank account should have a clearly defined purpose, such as general operating expenses, payroll, or specific projects.
- **Account Signatories:** WONGOSOL should establish clear policies and procedures for authorizing transactions on bank accounts, including the number of signatures required.
- **Bank Reconciliation:** Regular bank reconciliations should be performed to ensure accurate accounting records and identify any discrepancies.
- **Security Measures:** Strong security measures should be implemented to protect bank accounts from unauthorized access, including the use of secure passwords and encryption.
- **Bank Statements:** Bank statements should be reviewed promptly to monitor account activity and identify any unusual transactions.
- **Bank Charges:** WONGOSOL should be aware of any bank fees or charges associated with its accounts and take steps to minimize them.

6.1.2 Policy Statement: WONGOSOL will maintain effective controls over bank accounts, ensuring timely and accurate reconciliation to safeguard cash assets.

Procedure:

6.1.3 Receipt of Cheques:

a. All cheques received must be made payable to WONGOSOL's official name.
b. Cheques must be deposited in the bank on the same day or the next banking day.
c. Duplicate deposit slips must be prepared, with one copy attached to the corresponding receipts and filed.

6.1.4 Issuance of Receipts:

a. The cashier is responsible for issuing pre-numbered receipts for all funds received.
b. Upon receipt of funds, the cashier must immediately issue a receipt, sign it, and provide the original to the payer.
c. One duplicate copy of the receipt must be filed with the transaction journal supporting the accounting entry.
d. The other duplicate copy must be retained in the receipt book.

6.1.5 Cancelled Receipts:

a. Cancelled receipts must be retained in the receipt book with a brief explanation for the cancellation.
b. If a replacement receipt is issued, the cancellation must be noted on the original receipt (e.g., "Cancelled, replaced by receipt No. ...").

6.1.6 Dishonored Cheques:

a. The Accountant/Finance Officer must immediately contact the drawer of a dishonored cheque.
b. The dishonored cheque must not be released until alternative payment is received.
c. The corresponding cashbook entry for the dishonored cheque must be reversed.

6.1.7 Direct Transfers by Donors

Whenever a donor makes a direct transfer to WONGOSOL's bank account, they typically send a notification specifying the following:

a. **Amount transferred:** The exact monetary value of the transfer.
b. **Destination account:** The specific bank account number where the funds were deposited.
c. **Designated projects or grants:** The intended use of the funds.

6.1.8 Upon receiving this notification:

a. **Acknowledgment:** The recipient should send a confirmation message to the donor, acknowledging receipt of the notification.
b. **Internal Notification:** The recipient should inform the following individuals:
    - Executive Director
    - Accountant/Finance Officer (if not the recipient)
    - Relevant program staff

6.1.9 The Accountant/Finance Officer is responsible for:

a. **Crediting Funds:** Allocating the transferred funds to the appropriate projects or grants.
b. **Issuing Receipts:** Generating and sending official receipts to the donor agency.

6.1.10 Bank Signatories

a. **Authorization:** Each bank account should have a minimum of two and a maximum of three authorized signatories. At least two signatures are required for each transaction.
b. **Mandatory Signatory:** The Director must be a mandatory signatory on all bank accounts.
c. **Cheque Signing:** It is advisable to have all three authorized signatories on any cheque.
d. **Record Keeping:** A record of authorized cheque signatories must be maintained.
e. **Accountant/Finance Officer:** The Accountant/Finance Officer should not be an authorized signatory.
f. **Typical Signatories:** The Executive Director, Program Manager/Officer, and Board Chair are common signatories.

6.1.11 Bank Reconciliation

a. **Responsibility:** The Accountant/Finance Officer is responsible for reconciling all bank accounts.
b. **Timing:** Bank reconciliations should be performed monthly by the 5th of the following month.
c. **Discrepancy Resolution:** Any discrepancies identified during reconciliation should be investigated and resolved promptly.
d. **Reconciliation Personnel:** Staff who do not handle cash or maintain cash records should perform reconciliations.
e. **Executive Director Approval:** The Executive Director must approve all bank reconciliations by the 5th of the following month.

6.1.12 Reconciliation Process

a. **Obtain Bank Statements:** Secure all monthly bank statements by the 10th of the following month.
b. **Compare Transactions:**

    i. Compare transactions in the bank statements with entries in the cash book.
    ii. Compare deposits with cash book entries.
    iii. Identify un-cleared deposits and credits as deposits in transit (DIT).
    iv. Compare paid cheques with cash book entries.
    v. Identify un-cleared cheques and payments as outstanding cheques (OC).

a. **Identify Other Reconciling Items:** Note bank charges, interest, withholding taxes, bank debit and credit memos, and bank/book errors.
b. **Obtain Supporting Documents:** Obtain copies of debit/credit memos or similar documents not included in bank statements.
c. **Prepare Journal Entries:** Prepare journal entries for other reconciling items.

6.1.13 Cancelled/Stale Cheques

Spoiled cheques should be properly marked CANCELLED, if signed, signature be mutilated. The cheques are to be retained and filed in the cheque payments with the voucher clearly stating the reason for canceling or voiding. All stale cheques with suppliers must be recalled and letter written to the bank to `stop payment' on such cheques. Cancelled cheques should be posted to the accounting system to reflect their status to avoid future reuse of such cheques. Cheques issued and not cashed after 2 months should be followed up with the payee and reasons obtained acted on immediately. As a good practice, unrepresented cheques over 3 months should be stopped for payment by the bank and the payee informed. Lost cheques must be cancelled and only replaced on approval by payment signatories.

Cancelled Cheques:

a. **Clear Marking:** Mark all cancelled cheques with the word "CANCELLED" in a prominent manner.
b. **Signature Mutilation:** If a cheque has been signed, physically mutilate the signature to prevent unauthorized use.
c. **Retention and Filing:** Retain all cancelled cheques and file them with the corresponding payment voucher.
d. **Reason Documentation:** Clearly document the reason for cancellation or voiding on the payment voucher.
e. **Accounting System Update:** Post cancelled cheques to the accounting system to reflect their status and prevent accidental reuse.

Stale Cheques:

a. **Recall and Stop Payment:** Recall all stale cheques issued to suppliers.
b. **Bank Notification:** Issue a written request to the bank to "stop payment" on these stale cheques.
c. **Follow-up with Payees:** Contact payees for cheques that remain uncashed after two months to inquire about the reason.
d. **Preventive Measure:** As a best practice, request the bank to stop payment on any unrepresented cheques that are older than three months.

7.0 PAYMENT PROCESS AND PROCUREMENT ACCOUNTING

7.1.1 Payment Requisition and Documentation

The purchasing department or project team is responsible for preparing a payment requisition voucher, which must be accompanied by appropriate supporting documentation for all payment requests. The requisition voucher, once completed, should be submitted to the Accountant or Finance Officer for review and verification.

The Finance Officer will verify the following key details:

a. Confirmation that the requested payment aligns with the approved budget.
b. Assurance that the budget for the payment has not been exhausted.
c. Validation that the payment requisition is fully supported by the necessary documentation and has been authorized by the relevant project team members.

7.1.2 Payment Voucher Preparation

Upon successful verification of the requisition, the Accountant or Finance Officer will proceed with preparing the payment voucher for approval. If the payment voucher has not yet been prepared, the requisition, along with the supporting documents, must be placed in a pending file for further action.

Once the payment requisition is properly approved and supported, the Finance Officer will prepare a payment voucher. A cheque will be issued once the payment voucher is approved, and the following supporting documentation must be provided with the requisition:

a. **Supplier Invoice**: An original invoice from the supplier, accompanied by a properly approved purchase order and evidence of receipt for the item purchased or confirmation of satisfactory service performance.
b. **Expense Report**: A properly approved expense report with attached receipts for reimbursement.
c. **Petty Cash Replenishment Request**: A duly approved request for replenishment of petty cash funds.
d. **Payroll**: A properly approved payroll document for staff compensation.
e. **Cash Advance Request**: A properly approved request for a cash advance.

7.3 Budget Compliance and Consultation

The preparer of the payment voucher should verify that the requested payment amount is consistent with the approved budget. If the amount exceeds the available budget for the line item, the preparer must consult with the budget holder or their authorized representative before proceeding.

7.4 Payment Approval Process

Once the payment voucher is reviewed and approved by the Accountant or Finance Officer, the cheque will be raised and attached to the payment voucher. The payment voucher must then be signed by two authorized cheque signatories after verifying the supporting documentation associated with the payment.

7.5 Recording and Filing of Payments

After the payment has been approved and the cheque signed, the details must be entered into the accounting system by the Accountant or Finance Officer. The following information should be recorded on the payment voucher:

1. Voucher/Cheque Number
2. Date of Payment
3. Payee Name
4. Payment Amount
5. Description of Payment
6. Account Codes
7. Subsidiary Reference
8. Authorized Signatures (for preparer, reviewer, and authorizer)

All payment vouchers, along with the corresponding supporting documents, must be filed in sequential order for record-keeping and audit purposes.

7.6 Filing and Documentation Retention

All payment vouchers, accompanied by their respective supporting documentation, must be filed sequentially for easy retrieval and audit compliance. Proper record-keeping ensures transparency and accountability in the payment process.

8.0 PROCUREMENT AND PAYMENT PROCESS Processes

8.1 Policy Statement: WONGOSOL will establish controls over disbursements to ensure that payments are made only for valid and approved expenses.

Procedure:

a. Payments will be processed upon receipt of properly authorized and documented requests.
b. Dual authorization will be required for all payments exceeding $1,000.
c. Electronic payments and check disbursements will be subject to the same approval process.

8.2 General Payment Controls

8.2.1 Payment Methods

a. Payments may be made via **cash** or **cheque**, provided that all payments are supported by fully approved and valid documentation.
b. All payments must be **pre-approved** and **budgeted** for, with final authorization granted by the **Executive Director**.
c. Payments exceeding **LD$99,000.00** must be processed by **cheque**.

8.2.3 Signatory and Authorization Requirements

a. Payment signatories must possess sufficient **authorization levels** to approve payments of the corresponding value.

b. A minimum of **two authorized signatures** is required to process any payment from WONGOSOL's bank accounts.

8.2.3 Document Control and Stamping

a. All payment documents, including **payment vouchers** and supporting materials, must be **stamped "PAID"** to prevent double presentation and ensure that documents are not reused for unauthorized payments.
b. Payment vouchers must be **pre-numbered**, with numbers issued sequentially to match the cheque numbers used for payments.

8.2.4 Cheque Signing Procedures

1. **Cheques** should only be signed after the official signatory has reviewed the associated **cheque requisition**, **payment vouchers**, and all supporting documents to ensure the completeness and accuracy of the payment request.
2. **Pre-signing of cheques** is strictly prohibited, except under special circumstances, such as **emergencies** or **evacuations**.

8.2.5 Restrictions on Cheques

a. **Cheques drawn to "bearer"** or **"cash"** are not permitted. All cheques must be issued to a named payee for tracking and security purposes.

8.2.6 Cheque Register

a. A **cheque register** must be maintained, detailing the following:

   - Cheque **number**
   - **Payee name**
   - **Date of collection**
   - **ID number** of the person collecting the cheque
   - **Name** of the person collecting the cheque
   - **Signature** of the individual collecting the cheque

a. The person responsible for releasing the cheque must record the cheque details (number, payee, amount) along with the identity and personal details of the person receiving the cheque. This record should be securely maintained or filed for future reference.

8.2.7 Bank Charges Review

All **bank charges** posted to WONGOSOL's account must be thoroughly reviewed by the **Accountant** or **Finance Officer** to verify their legitimacy and relevance to the corresponding transactions before being recorded in the accounting system.

8.2.8 Donor-Specific Payment Controls

Separate files shall be maintained for **donor-related payments**. All supporting voucher documents should be clearly marked with **donor codes** for easy reference. This ensures proper tracking and allocation of funds for donor-specific projects, facilitating accurate reporting and posting to the accounting system.

Apologies for the confusion. Here is the revised version starting with the **12.0** numbering format:

9.0 PETTY CASH PAYMENTS

9.1 Petty Cash System and Authorization

Petty cash shall be maintained under the Impress System, with an authorized float level of LD$59,400. Any changes to this amount must be approved in writing by the Executive Director.

All disbursements from petty cash must be supported by duly approved petty cash vouchers. These vouchers should be pre-numbered and filed in sequential order for proper documentation.

9.2 Custody and Security

The responsibility for the custody of petty cash lies with the Cashier or Administrative Assistant.

Petty cash must be stored in a locked cash box and kept in a safe at all times for security purposes.

9.3 Purchase Limitations

Single-item purchases made from petty cash shall not exceed LD$59,400. Any amounts above this limit must be paid by cheque.

9.4 Petty Cash Voucher Preparation

Upon receipt of a payment request accompanied by the appropriate supporting documents, the Cashier/Administrative Assistant shall prepare a petty cash voucher, written in ink to prevent alterations. The voucher must include the following details:

1. Date
2. Payee name
3. Amount (both in words and figures)
4. Description of the expense

5. Relevant account/donor code
6. Signatures of the preparer, approver, and recipient

9.5 Approval and Payment Process

The Cashier shall forward the petty cash voucher and supporting documents to the Accountant/Finance Officer for approval.

Upon approval, the Cashier will make the payment, and the recipient will acknowledge receipt by signing the voucher.

9.6 Restrictions on Use of Petty Cash

Petty cash shall **not** be used for:

a. Staff advances
b. The encashment of personal cheques

9.7 Paid Stamp and Documentation Control

All petty cash vouchers and supporting documents must be duly stamped "PAID" to prevent reuse or duplication.

9.8 Cash Box Count and Reconciliation

A weekly cash box count and reconciliation should be conducted and documented by the designated custodian.

The amount of cash counted, and any pending unreimbursed receipts should reconcile to the maximum petty cash float balance of LD$59,400.

9.9 Surprise Cash Counts

The Accountant/Finance Officer will conduct surprise cash counts on a regular basis at all designated organization offices.

Any discrepancies, including fund shortages, should be immediately addressed and accounted for by the Cashier.

9.10 Replenishment of Petty Cash

Petty cash shall be replenished when the available funds become low or reach the agreed minimum reorder level of 25% of the approved float.

The Cashier will prepare a transaction report, conduct a cash count, and reconcile the balances to ensure accuracy.

9.11 Petty Cash Reconciliation Report

A Petty Cash Reconciliation Report must be prepared, showing the amount required for replenishment.

The report must be submitted along with the paid petty cash vouchers and supporting documents to the Accountant/Finance Officer for review.

9.12 Preparation of Petty Cash Cheque Voucher

Upon approval of the reconciliation report, a Petty Cash Cheque Voucher will be prepared and processed through the normal cheque approval procedures.

The cheque will be drawn in the name of WONGOSOL or Cashier and collected by the authorized banking agent.

10.0 PROJECT/TRAVEL ADVANCES

10.1 Request for Travel Advances

Requests for Travel Advances shall be made using a fully completed and approved Travel Advance/Float Request Form.

The completed and approved form must be submitted to the Accountant/Finance Officer at least two (2) days prior to the travel date to allow sufficient time for preparation, review, and availability of funds.

10.2 Emergency Travel Advances

Emergency travel requirements may be subject to the staff providing a properly approved Travel Advance Request Form.

Payments for such emergencies may be made from petty cash but must be reimbursed to the cash box by the raising of a cheque payment as per standard procedures.

10.3 Budget Compliance

All project/travel advance requests must align with the approved project budgets.

10.4 Advance Payment Procedures

All advances will be settled by cheque in accordance with WONGOSOL's cheque payment procedures.

The cheque will be prepared in the name of WONGOSOL or an approved agent to the bank, based on the projected advance amount.

10.5 Processing and Approval

The Accountant/Finance Officer will process the request by confirming the details of the request and the status of any outstanding advances.

No new advance will be granted unless all previous advances have been accounted for, unless the activities related to the earlier advance are still ongoing.

Requests for advances must be processed the day before travel to ensure timely disbursement.

10.6 Separation of Funds

Funds for project/travel advances must be separated from the normal petty cash box to avoid commingling of funds.

10.7 Disbursement of Advances

Once funds for project/travel advances are withdrawn, they must be disbursed on the same day of withdrawal.

The recipient of the advance must acknowledge receipt by signing the payment voucher.

10.8 Handling Non-Disbursed Advances

Any project/travel advance funds that are not disbursed must be re-deposited into the bank the following day.

The respective Travel Advance Request Form should be cancelled, and if the trip or activity does not occur:

a. Return the funds to the Cashier for safekeeping and re-banking.
b. If funds were not yet advanced, notify the Accountant/Finance Officer to hold the request.
c. The held request will be valid for a maximum of 7 days, after which the funds should be banked and a fresh request submitted when the activity is rescheduled.

10.9 Accounting for Travel Advances

The Liquidation for Advances Form must be completed and signed, detailing the expenses incurred.

The form must be supported by receipts for each expense item.

All advances must be liquidated within four (4) days of returning from the field.

10.10 Return of Unspent Balances

Any unspent balances from the travel advance should be returned to the Cashier. An official receipt will be issued by the Cashier, which must be attached to the Liquidation for Advances Form as proof of the returned funds. The returned funds should be re-deposited by the next banking day.

10.11 Reimbursement for Excess Expenses

Reimbursement for expenses exceeding the advance amount will only be processed after the Liquidation for Advances Form has been approved.

10.12 Ageing of Advances

Ageing of advances will be done monthly to track overdue advances. Any unliquidated or overdue advances will be deducted from the respective staff's salary in accordance with WONGOSOL's policy on outstanding advances.

11. AUTHORITY LIMITS FOR EXPENDITURES

11.1 General Guidelines

This section establishes the protocols for authorizing expenditures within WONGOSOL, ensuring accountability and compliance with budgetary controls.

Adherence to Budgets: All expenditure commitments must align with the approved budget and available funds. Any deviation requires formal approval.

Conflict of Interest: No individual is authorized to approve their own expenditure to uphold objectivity and fairness.

Exceptional Approvals: Expenditures beyond the scope of the approved budget must receive prior approval from the Board of Directors or the donor, as applicable.

11.2 Delegation of Authority

To maintain operational efficiency and accountability, delegation of authority is permitted under the following conditions:

Conditions for Delegation: Authority may be delegated only with prior written consent from the immediate superior authority.

Temporary Delegation: Delegation during leave or absence of senior staff must be documented and communicated to relevant stakeholders. This ensures continuity without compromising controls.

Documentation: All delegated powers must be recorded and archived. Copies of such delegations must be shared with finance and operational teams.

11.3 Approvals for Capital Expenditure

Capital expenditures are subject to strict oversight and must comply with these provisions:

a. Budgetary Oversight: The Board of Directors must review and approve the annual capital expenditure budget.
b. Accountability: Significant investments in assets require a detailed business case and formal authorization to ensure alignment with strategic goals.

11.4 Monitoring and Compliance

Regular Audits: All expenditures and authority delegations will be subject to periodic audits to ensure compliance with this policy.

Reporting: Any unauthorized expenditure must be immediately reported to the Board for corrective action.

these guidelines, WONGOSOL ensures robust financial governance and accountability in managing its resources.

12.0 PROCUREMENT POLICY

The procurement policy outlines the processes and controls governing the acquisition of goods and services within **WONGOSOL**, ensuring transparency, cost-effectiveness, and adherence to regulatory standards.

12.1 Procurement Methods

12.1.1 Levels of Procurement

1. WONGOSOL employs two primary procurement methods:

    a. **Requisition with Minimum Quotations:** For procurement below the tendering threshold, at least three quotations must be obtained to ensure competitive pricing.

2. Tendering Process:

    a. For procurement exceeding the specified threshold, a formal tendering process will be initiated to solicit competitive bids from qualified suppliers.

12.2 Procurement Committee

12.2.1 Establishment and Role

The procurement process shall be managed by a Procurement Committee, established and overseen by the Executive Director.

12.2.2 Responsibilities

1. Review and approve procurement requests.
2. Solicit and evaluate quotations or bids.
3. Analyze submissions based on quality, cost, and supplier suitability.
4. Select and recommend a supplier for approval.
5. Oversee the issuance of purchase orders for approved acquisitions.

12.3 Procurement Thresholds and Payment Methods

12.3.1 Threshold for Minimal Purchases

Minimal Purchases: Materials or services costing up to LD$99,000.00 may be purchased using petty cash or cash payments, provided they meet the necessary documentation and authorization requirements.

12.3.2 Threshold for Regular Purchases

Regular Purchases: All procurements exceeding LD$99,000.00 must be settled by cheque or other formal banking methods to ensure accountability.

12.4 Compliance and Monitoring

12.4.1 Documentation

All procurement transactions must be supported by properly documented approvals, quotations, invoices, and receipts.

12.4.2 Audit and Oversight

The Procurement Committee will ensure that all procurement activities comply with WONGOSOL's financial policies and are subject to regular internal and external audits.

12.4.3 Tendering Policy

The tendering process ensures fairness, transparency, and cost-effectiveness in the acquisition of materials and services valued at LD$99,000.00 or more. The following guidelines apply:

12.4.3.1 Tender Invitation

Invitation Method: Notices for tenders shall be publicly posted on noticeboards or directly delivered to potential suppliers.

Submission Deadline: Prospective suppliers must submit their bids within the stipulated time frame and in the prescribed manner outlined in the tender invitation. Late submissions will not be considered.

12.4.3.2 Tender Evaluation and Award

Opening of Tenders: A designated day will be set for opening bids. All submitted tenders shall be reviewed in the presence of the Procurement Committee.

Evaluation Criteria: Selection is based on the most competitive bid, considering:

a. **Product Quality:** The suitability and durability of the product or service offered.
b. **Cost:** The pricing relative to market standards and organizational budget.
c. **Timeliness:** The supplier's ability to meet delivery deadlines.

Awarding the Tender: The successful bidder will be required to supply materials or services as needed by WONGOSOL, adhering to agreed terms. Payment will be made upon satisfactory delivery or as per the terms of the contract.

12.4.3.3 Issuance of Local Purchase Order (LPO)

LPO Requirements: Once a tender is awarded, an official **Local Purchase Order (LPO)** shall be issued to the supplier, containing:

1. Date of the order.
2. Quantity, quality, and specifications of the materials or services.
3. Delivery time frame.
4. Delivery location and method.
5. Additional conditions, if applicable.

Approval and Validity:

1. All LPOs must be approved by the Executive Director.
2. LPOs are valid for **30 days** upon the date of becoming effective, unless explicitly extended by approval.

12.4.3.4 Procurement Documentation

The Procurement Committee must prepare a detailed analysis of the tenders received, comparing suppliers, prices, and key features of the quotations.

Documentation must clearly state the reasons for selecting a particular supplier, along with any required follow-ups.

All procurement requisitions must align with the approved budget and be approved by the Procurement Committee.

12.4.3.5 Delivery and Acceptance

All materials and services must be delivered within the stipulated time frame specified in the LPO Delivered items must be in good condition. Damaged or defective goods will not be accepted Delivery will only be deemed complete when an authorized official signs off on the delivery receipt.

12.4.3.6 Tender Cancellation

WONGOSOL reserves the right to cancel a tender awarded to a supplier for valid reasons, including but not limited to:

a) The supplier's inability to fulfill the order.
b) Failure to meet the specified quality or standards.
c) Engagement in corrupt practices or dishonest dealings.
d) Unreasonable delays in delivery.
e) Unjustified price increases beyond market rates without prior consultation.

13.0 DEBTORS AND CREDITORS

Proper management of debtors (accounts receivable) and creditors (accounts payable) is critical for maintaining the financial health and operational efficiency of **WONGOSOL**.

13.1 Debtors (Accounts Receivable)

13.1.1 Record-Keeping

The Accountant/Finance Officer is responsible for maintaining accurate and up-to-date records of all debtors, including staff impress and advances.

All debtor records must be supported by relevant documentation, including invoices, receipts, and contractual agreements.

13.1.2 Invoice Management

Timely preparation and distribution of invoices are essential to ensure prompt payment. Invoices must be clear, accurate, and contain details such as the amount due, payment terms, and deadlines.

13.1.3 Income Recognition

WONGOSOL uses the hybrid of **cash basis and accrual basis of accounting** and under the cash basis of accounting, it recognizes income only when payments are actually received from debtors.

13.1.2 Follow-Up on Payments

Regular follow-ups must be conducted to ensure debtors comply with payment terms. Delinquent accounts should be escalated for management review and potential recovery actions, such as issuing demand notices or engaging legal services.

13.1.3 Impress and Advances

Staff impress and advances must be recorded as receivables and cleared promptly through submission of expense reports or repayments. Outstanding advances will be reviewed periodically, and overdue amounts may be deducted from salaries or other payments.

13.2 Creditors (Accounts Payable)

13.2.1 Creditors Management

Accurate and timely recording of all amounts owed to suppliers or other entities is required to ensure efficient tracking and settlement of liabilities. Payment terms agreed with suppliers must be honored to maintain WONGOSOL's reputation and avoid penalties.

13.2.2 Authorization of Payments

Payments to creditors must be supported by valid documentation, including invoices, delivery notes, and purchase orders. All payments must be reviewed and authorized in accordance with the Authority Limits for Expenditure (refer to Section 14).

13.2.3 Cash Flow Management

Payments to creditors should be scheduled in a manner that balances WONGOSOL's cash flow requirements and minimizes overdue obligations.

13.2.4 Dispute Resolution

Any disputes with creditors regarding amounts or terms must be promptly addressed and resolved to avoid interruptions in the supply of goods and services.

14.0 CONTROLS ON DEBTORS

Effective controls on debtors are essential to ensure the timely collection of receivables and minimize financial risks associated with uncollectible accounts.

14.1 Debtor Monitoring

14.1.1 Debtor Aging Summary

The Accountant/Finance Officer shall prepare a **Debtor Aging Summary** on a monthly basis to monitor the status of outstanding receivables.

The summary must categorize debtors by the length of time the receivables have been outstanding (e.g., 0–30 days, 31–60 days, 61–90 days, and over 90 days).

14.1.2 Recovery Actions

Debtors with balances exceeding the agreed payment period must be promptly followed up for recovery.

Regular communication, including reminders, demand notices, and follow-up calls, shall be initiated to expedite payment.

If a debtor is unresponsive or unable to settle the outstanding amount, the case may be escalated to management for further action, such as legal proceedings or settlement negotiations.

14.1.3 Doubtful Debts Provision

For debts deemed unlikely to be recovered, a **provision for doubtful debts** shall be created based on the assessment of recoverability. This provision must be included in the monthly financial reports.

14.2 Reporting on Debtors

14.2.1 Debtor Reports

The monthly debtor report must include the following details:

a. Total outstanding amount.
b. Names of debtors.
c. Individual balances owed.
d. Aging of each debtor's balance.

The report shall be reviewed by the Finance Manager and shared with the management team for accountability and decision-making.

14.3 Invoicing Procedures

14.3.1 Invoice Preparation and Distribution

The Accountant/Finance Officer shall prepare **three-part invoices** for all receivables:

a. First Copy: Sent to the debtor.
b. Second Copy: Filed in the debtor's record.
c. Third Copy: Retained in the invoice booklet as a backup.

All invoices must be sequentially numbered for tracking and audit purposes.

14.4 Write-Offs for Uncollectible Accounts

14.4.1 Write-Off Proposals

When an account is deemed uncollectible after all recovery efforts, the Accountant/Finance Officer shall prepare a **write-off proposal**. The proposal must include:

a. The debtor's name and details.
b. Outstanding amount and aging analysis.
c. Justification for the write-off (e.g., insolvency, inability to locate the debtor).

14.4.2 Approval Process

Write-offs shall require the approval of the **Board of Directors** to ensure due diligence and accountability. Approved write-offs must be documented and reflected in the financial records.

15.0 LIABILITIES (ACCOUNTS PAYABLE)

The management of liabilities, particularly accounts payable, is critical to maintaining WONGOSOL's financial integrity and reputation. This section outlines the policies and procedures for managing liabilities.

15.1 Definition of Liabilities

15.1.1 Nature of Liabilities

Liabilities represent debts or obligations arising from the purchase of goods or services on credit. Accounts payable includes amounts owed to suppliers, contractors, and other creditors for goods or services rendered.

15.1.2 Financial Reporting of Liabilities

At the end of each accounting period, expenses incurred but not yet paid are recognized as liabilities and reflected in the financial statements.

15.2 Liability Management

15.2.1 Minimization of Liabilities

Liabilities should be kept at a minimum level to ensure financial stability and avoid unnecessary borrowing. Credit terms should be negotiated favorably with suppliers to align with WONGOSOL's cash flow cycles.

15.2.2 Timely Settlement of Liabilities

All accounts payable should be settled as soon as possible to maintain WONGOSOL's credibility with suppliers and avoid penalties. Payments must comply with the Authority Limits for Expenditure (refer to Section 14).

15.3 Invoice Management

15.3.1 Invoice Recording

All invoices received shall be recorded in the **Invoices Register** upon receipt. The register must include details such as the invoice number, supplier name, date, amount, and payment due date.

15.3.2 Invoice Reconciliation

Accounts payable should be reconciled at least once a month to ensure accuracy and identify discrepancies. At the end of the accounting period, unpaid invoices must be extracted from the register to determine the total outstanding liabilities.

15.4 Accounts Payable Reporting

15.4.1 Recording in the General Ledger

All amounts owed should be recorded in the appropriate expense accounts, with a corresponding credit to the accounts payable ledger. Credit accounts payable instead of cash accounts when payments are not immediately issued.

15.4.2 Period-End Procedures

Expenses incurred but unpaid at the period end must be accrued and reported as liabilities in the financial statements.

15.4 Payment Control

15.5.1 Check Issuance

Checks should not be prepared until they are ready for immediate disbursement to avoid the risk of loss, theft, or unauthorized use. Payments should follow documented approval processes, ensuring alignment with budgets and procurement policies.

15.5.2 Credit Facility Management

If WONGOSOL utilizes credit facilities, clear documentation of terms and balances must be maintained. Timely payments on credit facilities are necessary to avoid interest charges or negative impacts on creditworthiness.

16.0 MAINTENANCE OF ACCOUNTING RECORDS

Proper maintenance of accounting records ensures that **WONGOSOL** maintains transparency, accountability, and compliance with financial management standards. The following outlines the processes and requirements for maintaining accurate and reliable records.

16.1 The General Journal

16.1.1 Purpose of the General Journal

The General Journal is maintained to record all financial transactions, including receipts and disbursements, adjustments, and other relevant entries. It serves as the primary record for financial activity before postings are transferred to the General Ledger.

16.1.2 Transactions to be Recorded

The following transactions must be recorded in the General Journal in a timely and accurate manner:

1. All receipts and disbursements.
2. Voided receipts and cheques.
3. Interest earned and bank charges.
4. Transfers between accounts within a fund.
5. Transfers between different funds.
6. Transfers between current and deposit/investment bank accounts.

16.1.3 Information to Include in Each Entry

Each journal entry must include the following details:

a. Transaction date.
b. Receipt or cheque number (in numeric order).
c. Name of payer or payee.
d. Individual collection/disbursement account(s).
e. A cash running balance column to reflect the available cash balance.

16.2 Journal Vouchers

16.2.1 Purpose of Journal Vouchers

Journal Vouchers are used to document adjustments, corrections, and special entries that cannot be directly recorded through normal transaction processes.

16.2.2 Transactions Documented Through Journal Vouchers

a. Liquidation of cash advances.
b. Depreciation of fixed assets.
c. Payroll postings.
d. Bank reconciling items (e.g., bank debit and credit memos).
e. Accrual of expenses.
f. Expense or overhead allocations.
g. Adjusting and correcting entries.

16.2.3 Journal Voucher Format
Journal Vouchers must include the following:

a. **Date**: The date the entry is made.
b. **Account Codes**: The chart of accounts references for the transaction.
c. **General Ledger Reference**: Indicating the relevant ledger.
d. **Description/Explanation**: Brief explanation of the transaction.
e. **Amounts**: Detailed amounts for debits and credits.
f. **Signatures**: The preparer, reviewer, and approving authority must sign.
g. **Supporting Documents**: All relevant documents must be attached, stamped as **POSTED** or **PAID** (for payment adjustments).

16.2.4 Authorization and Posting

Properly approved Journal Vouchers shall be posted into the accounting system by the Accountant/Finance Officer. A system-generated printout of the journal entry must be attached to the approved Journal Voucher and filed.

16.2.5 Filing of Journal Vouchers

Journal Vouchers must be numbered consecutively and filed in sequential order.
Supporting documents must be filed along with the Journal Vouchers to ensure traceability and audit readiness.

17.0 CHART OF ACCOUNTS

The Chart of Accounts is a structured list of all General Ledger accounts used by **WONGOSOL** to categorize and track financial transactions systematically. These accounts are grouped into major categories to facilitate financial reporting and analysis.

17.1 General Ledger Account Groups

The General Ledger accounts are categorized as follows:

17.1.1 Fixed Assets

a. Accounts that record the value of long-term assets owned by WONGOSOL, such as land, buildings, equipment, and vehicles.
b. These assets are subject to depreciation, except for land, and are reported on the balance sheet.

17.1.2 Current Assets

a. Accounts for short-term assets that are expected to be converted into cash or used within a year.
b. Examples include cash and cash equivalents, accounts receivable, prepaid expenses, and inventory.

17.1.3 Current Liabilities

a. Accounts that record obligations WONGOSOL expects to settle within a year.
b. Examples include accounts payable, accrued expenses, and short-term loans.

17.1.4 Restricted Income

a. Accounts used to track income that donors or grantors have restricted for specific programs or purposes.
b. Funds must be used in accordance with the restrictions specified by the donor or funding agreement.

17.1.5 Unrestricted Income

c. Accounts for income available for general use, without donor-imposed restrictions.
d. Examples include unrestricted grants, donations, and earned income.

17.1.6 Program/Project Expenses

e. Accounts that capture expenses directly related to WONGOSOL's programs or projects.
f. Each program or project may have sub-accounts to track specific costs, such as salaries, materials, travel, and training.

17.1.7 General & Administrative Expenses

a. Accounts for expenses related to the overall management and operation of WONGOSOL.
b. Examples include office supplies, utilities, staff salaries (non-program-specific), and rent.

17.2 Structure and Maintenance

17.2.1 Account Numbering

a. Each account is assigned a unique number to facilitate identification and tracking.
b. Account numbers are grouped by category and follow a logical sequence.

17.2.2 Sub-Accounts

Major accounts may have sub-accounts to provide additional detail for reporting purposes. For example, within "Program Expenses," there may be sub-accounts for specific projects.

17.2.3 Regular Review and Updates

The Chart of Accounts should be reviewed periodically to ensure it aligns with WONGOSOL's operational and reporting needs. Any changes or additions to the Chart of Accounts must be approved by the Finance Manager and documented accordingly.

18.0 CONTROL LEDGERS

Control Ledgers are essential for maintaining the accuracy of financial records by consolidating the totals of subsidiary accounts into a single account in the General Ledger. This ensures proper reconciliation and transparency in financial management.

18.1 Purpose of Control Ledgers

a. To provide a summary of transactions recorded in subsidiary ledgers.
b. To facilitate the reconciliation of individual accounts with the General Ledger.
c. To monitor and manage staff advances, floats, and other receivables.

18.2 Maintenance of Control Ledgers

18.2.1 Updating Subsidiary Ledgers

a. Subsidiary ledgers must be updated daily to reflect all transactions.
b. These ledgers should be reconciled monthly with the corresponding control account in the General Ledger.

18.2.2** Impress **Accounts for Staff

a. Separate impress accounts shall be maintained for each staff member to track advances and floats.
b. All disbursements to staff for organizational activities must be recorded in their respective accounts.
c. Liquidation of floats and advances is made against these accounts upon submission of valid supporting documents by the staff.

18.2.3 Monthly Statements for Staff Accounts

a. Statements of individual staff accounts are prepared monthly and distributed by the 15th of each month.
b. Each statement includes:

   i. Opening balance.
   ii. Advances issued.
   iii. Liquidations submitted.
   iv. Closing balance.

18.2.4 **Dispute Resolution**

Any disputes regarding the amounts reflected in the statement must be addressed immediately with the Accountant/Finance Officer/Accounts Assistant. Disputed amounts should be investigated and resolved to ensure the accuracy of records.

18.3 Approval of Statements

18.3.1 Review Process

Statements must be reviewed by the Accountant/Finance Officer/Accounts Assistant before distribution to ensure accuracy and completeness.

18.3.1 Staff Acknowledgment

Staff must review their account statements and sign them as confirmation of accuracy. Signed statements are retained as part of WONGOSOL's financial records.

18.3.2 Staff Responsibility

Staff are encouraged to maintain private records of their advances and liquidations for reconciliation purposes. If discrepancies are found, staff must notify the Accountant/Finance Officer/Accounts Assistant within one month of receiving the statement.

18.3.3 Reconciliation and Reporting

Monthly reconciliation of subsidiary ledgers with the General Ledger control accounts is mandatory. Discrepancies identified during reconciliation should be promptly investigated and resolved. A summary report of reconciled control accounts should be submitted to management for review.

19.0 TRIAL BALANCE

The **Trial Balance** is a financial statement prepared periodically to ensure the accuracy of bookkeeping by verifying that the total debits equal the total credits. It serves as a checkpoint before the preparation of final accounts. While it is recommended to prepare the trial balance annually, organizations may also generate it more frequently (e.g., monthly or quarterly) for effective financial monitoring.

19.1 Purpose of the Trial Balance

a. To verify the arithmetic accuracy of ledger postings.
b. To identify and correct errors before the preparation of financial statements.
c. To provide a summary of all ledger balances for a given period.

19.2 Preparation of the Trial Balance

The trial balance should list all ledger accounts along with their debit or credit balances. The following steps should be adhered to:

a. Post all transactions into the ledger accounts.
b. Balance each ledger account.
c. Transfer the closing balances from each ledger account to the trial balance.
d. Total the debit and credit columns to confirm they agree.

19.3 Steps to Resolve Discrepancies

If the trial balance does not balance, the following logical steps should be followed:

19.3.1 Verify Arithmetic Accuracy

Recheck the totals of the trial balance to confirm there are no addition errors.

19.3.2 Review Ledger Balances

Quickly scan the trial balance for unusual figures or balances that appear incorrect (e.g., too large, too small, or on the wrong side).

19.3.3 Reconcile Ledger and Trial Balance

Compare each ledger account balance to the corresponding entry in the trial balance. Ensure no balances are missing or recorded on the wrong side.

19.3.4 Verify Timing of Entries

Check that no entries in the ledger relate to periods beyond the trial balance date.

19.3.5 Review Additions and Postings

Confirm all additions in the ledger, cash book, and journal. Ensure all postings from the cash book and journal to the ledger are accurate and complete.

19.3.6 Check Opening Balances

Verify that the opening balances from the previous accounting period have been carried forward correctly.

19.3.7 Address Errors Identified

Investigate and correct discrepancies such as omitted, duplicated, or mis posted entries. Adjust the trial balance as necessary.

19.3.8 Take a Break

If discrepancies persist despite thorough checking, take a break to refresh your mind. Revisit the problem later with a clear perspective.

19.4 Importance of Accurate Trial Balances

The trial balance is a critical step in the accounting process. It ensures the reliability of financial statements by detecting potential errors early. However, it cannot identify all types of errors (e.g., compensating errors, errors of omission, or errors of principle). Therefore, additional reconciliations and reviews are necessary to ensure complete accuracy in financial reporting.

20.0 MANAGEMENT INFORMATION SYSTEM

The **Management Information System (MIS)** is a comprehensive system designed to support decision-making processes within **WONGOSOL**. It involves the collection, storage, processing, and dissemination of data to provide relevant information for managerial decisions, both on a day-to-day operational level and in terms of short-term planning. The MIS is structured to meet the specific needs of different types of decisions, especially those related to financial management and budgetary control.

20.1 Purpose of the Management Information System

The primary purpose of the Management Information System is to provide accurate, timely, and relevant information to the management team. This allows for informed decision-making that enhances organizational efficiency and effectiveness. The key objectives of the MIS include:

a. Supporting operational decision-making on a daily basis.
b. Providing data for short-term planning and forecasting.
c. Assisting in the allocation and monitoring of financial resources.
d. Ensuring effective budgetary control and expenditure management.

20.2 Key Components of the Management Information System

The Management Information System includes several key components that facilitate data management and decision-making:

20.2.1 Data Collection

The MIS begins with the systematic collection of data from various departments and sources. Data should be accurate, reliable, and relevant to the needs of decision-makers.

20.2.2 Data Storage

Collected data is stored in secure, organized formats, typically in databases or data warehouses, ensuring easy access and retrieval.

20.2.3 Data Processing

The raw data is processed and analyzed to convert it into meaningful information. This could involve calculations, summarizations, and aggregations of data relevant to financial or operational metrics.

20.2.4 Information Reporting

Processed information is presented to management through reports, dashboards, or visualizations, tailored to the specific needs of the decision-makers. This may include financial reports, operational performance metrics, and expenditure analysis.

20.3 Financial Management Information

A significant part of the Management Information System is the Financial Management Information System (FMIS), which handles the financial data required for effective financial decision-making. Key areas of focus within the FMIS include:

a. Monitoring of cash flows, expenses, and revenue generation.
b. Ensuring compliance with financial regulations and internal policies.
c. Providing insights into the financial health of WONGOSOL.
d. Assisting in financial forecasting and budgeting.

20.4 Budgetary Control System

The **Budgetary Control System** is an integral component of the **Management Information System**. It focuses on monitoring and controlling organizational expenditure to ensure adherence to approved budgets. The system provides real-time information on:

a. **Actual versus budgeted expenditure**: This comparison helps to identify areas of overspending or underspending.

b. **Variance analysis**: This process helps in analyzing and explaining the reasons for deviations from the budgeted figures.
c. **Budget revisions**: If necessary, the system allows for adjustments to be made to the budget based on actual financial performance and operational needs.

20.5 Structure And Flexibility of The Management Information System

The structure of the Management Information System should be flexible and scalable, allowing it to adapt to the needs of WONGOSOL as it grows. The system should be designed to support decision-making at various levels of WONGOSOL, including:

a. **Operational decisions**: Daily financial and operational activities.
b. **Tactical decisions**: Short-term planning and resource allocation.
c. **Strategic decisions**: Long-term organizational direction, growth, and financial management.

20.6 Benefits of a Robust Management Information System

A well-designed Management Information System offers several benefits:

a. Improved decision-making by providing accurate and timely information.
b. Enhanced financial control through effective budgetary oversight.
c. Increased operational efficiency through better data management and reporting.
d. Stronger accountability and transparency, particularly in financial management.
e. Better forecasting and resource allocation, ensuring WONGOSOL meets its goals and objectives.

21.0 FINANCIAL REPORTING

21.1 Monthly Financial Reporting

Financial reporting shall be conducted according to the approved formats and the requirements set by the donors.

At the end of every month, the Accountant/Finance Officer will prepare a budget versus actual analysis report for the Coordinator/Director and project staff. By the 10th of the next month, explanations of variances above 10% shall be provided by the project officers and submitted to the Accountant/Finance Officer.

Budget variance explanations should be provided for all items that are above or below 10% of the budget. Narrative reports detailing the activities of the project as implemented shall accompany the budget variance reports for review and synchronization by the finance team.

Completed reports should be distributed to management and other staff as deemed appropriate. These reports shall also be shared with the Board during board meetings at the appropriate time.

21.2 Financial Statements

The organization shall publish the following financial statements at the end of every accounting period:

a. **Statement of Financial Position (Balance Sheet)**: This provides relevant information about the organization's assets, liabilities, and net assets, and about their relationships to each other at a particular moment in time.
b. **Statement of Cash Flows**: The purpose of this statement is to provide relevant information about the cash receipts and cash payments of the organization during the period.
c. **Statement of Income and Expenditure**: Its primary purpose is to provide relevant information about changes in income, expenditure, and capital resources of the organization during a period. This report will include a list of all **donors** to the organization.

The Coordinator/Director shall oversee the preparation and publication of the annual reports. To ensure that the reporting systems align with the preferences of key stakeholders, the organization shall engage in discussions and negotiations with the donors to adhere to the organization's agreed-upon reporting formats as much as possible.

21.3 Donor Reporting

Donor reports shall be prepared according to the contractual agreements and reporting requirements. A schedule of the reporting dates will be maintained by the organization.

The finance team, with the help of the project officers and unit heads, will prepare the reports and consult on areas where there is a need for changes to the Ledger.

The Accountant/Finance Officer will discuss the donor reports with the program officers and obtain approval from the Executive Director before submission to the donors. Separate financial reports shall be prepared for each project, and consolidation shall be done for the organization as a whole.

The organization's reports should disclose all the donors who have contributed money or goods in kind. A report detailing all goods in kind received shall be prepared by the project managers, submitted to the Accountant/Finance Officer, and approved by the Executive Director.

22. External Audit

22.1 Introduction

The organization recognizes the importance of a dynamic external auditing system to ensure credible financial discipline through the application of checks and balances.

The Board shall appoint a new auditor every three years at the annual general meeting. The Board shall also provide the auditor with clear written terms of reference and a reporting schedule. The auditor shall report to the Board.

It shall be the duty of the Accountant/Finance Officer to coordinate with the appointed auditors to schedule the annual audits. The Accountant/Finance Officer shall ensure that:

a. All audit schedules, as required by the external auditors, are prepared on time.
b. Accurate and reliable financial statements are prepared.
c. The auditors receive all necessary information and explanations for the audit.
d. Corrective actions are taken in response to the auditor’s management letter, and a reply to the letter is prepared in time for discussion by the Board.
e. The Board will discuss the management letter with the auditors and the Coordinator/Director, who will ensure that corrective actions taken are communicated to the auditors.

The annual audit timetable shall be as follows:

a. Initial risk assessment - 1st week of March
b. Start of Audit - 2nd week of March
c. Initial draft of Financial Statements - 1st week of April
d. Final draft of Financial Statements (depending on the time taken to respond to audit queries/requirements of the auditor).

22.2 Basic Year-End Audit Requirements

1. Financial Statements (Income & Expenditure, Balance Sheet, and Cash Flow reports).
2. Budgets, Grant Agreements/Contracts for revenues recognized in the current year.
3. Summary of Revenues received.
4. Documentary Requirements including:
5. Rental agreements, bank statements, donor agreements, etc.

Supporting Schedules including:

1. Schedule of Incomes
2. Schedule of Donations Receivable
3. Schedule of Accounts Receivable
4. Schedule of Advances to Officers and Employees
5. Schedule of Prepayments and Other Assets
6. Schedule of Accounts Payable
7. Schedule of Other Liabilities
8. Summary of Expenses
9. General Ledger
10. Bank Reconciliations

11. Confirmation Requests for banks, accounts receivable, advances, accounts payable, and accrued expenses
12. Assets Register

23. RECORD KEEPING (ARCHIVING)

23.1 Safeguarding Computer Data: Back-ups

Computer data must be safeguarded against loss by backing up data regularly (weekly). Back-up options include flash drives, removable hard drives, and writable CDs. The following is a suggested system for complete back-up of computer data using any of the media indicated above:

Payroll data should be backed up twice for each payroll—once before posting payroll data and once before printing payroll checks. At the end of each year, after the payroll has been reconciled and all adjustments made, back up payroll information on a new disk.

At the year-end, after all corrections, adjustments, and closing entries have been entered, back up financial data on new media.

23.2 Invoice Files

The organization must keep all invoices to support disbursements and file them alphabetically by vendor or by any other logical filing method.

The Accounts Office must maintain the master invoice file containing originals of all invoices. Other departments that need invoices should make their own copies.

23.3 Personal Files

Complete individual personnel files on all current employees need to be maintained and carefully safeguarded due to their highly confidential nature. Access should be restricted to the Executive Director and designated accounting staff only.

The files should not leave the room where they are stored but may be viewed by the respective employee in the presence of authorized staff. Copies of individual documents may be made for them.

23.4 Record Retention Schedule

Storage of archival records will be maintained in a secure area safe from theft, fire, and water damage. Each file box will be labeled on the front with the contents, dates covered, and destruction date if applicable.

Ideally, files should be stored only in boxes with similar items, dates, and retention periods to allow for easier access and purging of records.

23.5 Destruction Timelines

Three to six months after each year-end, the officer responsible for filing will proceed with the destruction of all files that have exceeded their recognized holding period.

Department heads will be informed that the destruction of specified files will be taking place within thirty days (in case they still need some of the files).

Destruction of the files will be performed by the organization's personnel. Care must be taken to ensure that all documents containing personal information such as phone numbers, addresses, and account numbers are shredded before disposal.

APPENDIX I: BUSINESS FORMS AND TEMPLATES

The financial management manual outlines various business forms and templates that are used for effective financial operations and compliance. Here are the key forms/templates:

General Financial Management

1. **Fixed Asset Register** – To record and monitor property and equipment.
2. **Capital Expenditure Request Form** – For purchases of high-value assets or equipment.
3. **Disposal Form** – For recording the details of asset disposal (sale, transfer, or donation).
4. **Petty Cash Vouchers** – Pre-numbered and used for petty cash disbursements.
5. **Petty Cash Reconciliation Report** – For tracking and replenishing petty cash.
6. **Cash Advance Request Form** – For requesting advances for travel or project expenses.
7. **Liquidation for Advances Form** – For reporting how advances were spent.

Payment and Banking

8. **Payment Requisition Voucher** – For initiating payment processes.
9. **Payment Voucher** – For processing payments with attached documentation.
10. **Cheque Register** – To record all cheques issued, their payees, and related details.
11. **Cancelled Cheque Documentation** – To track and document cancelled or voided cheques.
12. **Bank Reconciliation Statement** – To ensure alignment between bank statements and organizational records.

Procurement

13. **Local Purchase Order (LPO)** – For placing official orders with suppliers.
14. **Quotation Analysis Cover Letter** – To detail the evaluation of supplier quotations.
15. **Tendering Documents** – Templates for tender invitations, evaluations, and award decisions.

Budgeting and Reporting

16. **Budget Templates** – For core organizational and program budgets.
17. **Monthly Budget vs. Actual Income and Expenditure Reports** – For monitoring financial performance.
18. **Variance Analysis Report** – To explain budget deviations.

Receipts and Invoicing

19. **Pre-numbered Receipts** – For recording all cash or cheque receipts.
20. **Invoice Templates** – For billing and income recognition.

21. **Debtor Aging Summary Report** – To monitor outstanding receivables.

Record Keeping

22. **General Journal** – For recording transactions systematically.
23. **Journal Voucher** – For adjustments and special entries.
24. **Chart of Accounts** – A structured framework for categorizing financial transactions.

Compliance and Oversight

25. **Travel Advance/Float Request Form** – For travel and project-related advances.
26. **Financial Reporting Templates** – For donor and management reports.
27. **Audit Checklist** – For preparing year-end audit requirements.

These templates support structured, transparent, and accountable financial management as outlined in the manual.