



CISLAC

FINANCIAL GUIDELINES AND ACCOUNTING PROCEDURES

APRIL 2007

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ACRONYMS

AA	Administrative Assistant
CR	Country Representative
COP	Chief of Party
DCR	Deputy Country Representative
GM	Grants Management
HQ	Head Quarters
OA	Office Assistant
PCC	Petty Cash Cashier
PC/O	Program Coordinator /Officer
POA	Power of Attorney
SFAO	Senior Finance and Administration Officer
SOE	Summary of Expenditure
USG	United States Government

INTRODUCTION

This Financial Guidelines and Accounting Procedures manual was developed by the CISLAC Nigeria staff in order to create guidelines on the policies and procedures governing the financial management of the CISLAC Nigeria office in compliance with CISLAC Inc policies and practices. It is the intention that this manual be used for several purposes:

- a) As a comprehensive explanation, guideline and reference for staff regarding the policies and procedures of daily office operations and accounting methods;
- b) As a means to orient new staff members to the policies and procedures of CISLAC Nigeria financial management;
- c) As a demonstration to partner organization and public that CISLAC Nigeria has in place a strong financial management system;
- d) As a documentation of the overall internal control systems of CISLAC Nigeria

All staff members are expected to comply with the provisions of this manual.

This manual may be updated at any time throughout the life of the program's operation in Nigeria. Employees will be notified in writing of any amendments to policies and procedures. A policy or procedure may be changed only with the permission of the CISLAC Nigeria Country Representative (CR) and HQ if the suggested change defers from the CISLAC Inc. Field Administration Manual.

An annual review of this manual shall be performed with key staff to ensure that the policies and procedures are understood and reflect the desired practices.

1 GENERAL POLICIES

CISLAC Nigeria maintains financial records with supporting documentation in accordance with generally accepted accounting principles. CISLAC Nigeria has developed a financial management system that can provide:

- a) Accurate, current and complete disclosure of financial transactions;
- b) Records that identify source and application of funds;
- c) Effective control and accountability for funds, property and other assets; and comparisons of expenditures versus budget amounts.

CISLAC HQ uses SUN accounting system and consolidates its worldwide transactions on a monthly basis.

CISLAC Nigeria uses automated accounting software called QuickBooks Pro which has been customized to be used at country level. Reports are generated on a monthly basis by the assigned Accountant, reviewed by the DCR or SFAO and approved by the CR, and then are sent to CISLAC HQ for audit / desk reviews.

CISLAC Nigeria maintains original copies of financial records for all projects managed from the Nigeria field office. These records are available for inspection by appropriate Headquarters staff, auditors and donors at any time.

CISLAC Nigeria also requires subgrantees to prepare and submit monthly financial reports with all original financial supporting documentations to CISLAC Nigeria's office for audit / desk reviews by the assigned Accountant. Subgrantees are required to maintain copies of financial records and make them available for examination and audit by CISLAC Nigeria staff or external auditors as specified under the terms and conditions of the subgrant agreement.

It is CISLAC policy to ensure that subcontracts, subgrants and subagreements are administered in accordance with the terms and conditions of the award. Subagreements usually include standard provisions which outline the responsibilities CISLAC assumes over the financial management and accountability of project resources. Project participants and subgrantees are made aware of specific financial accountability and internal control systems requirements they will be expected to follow. Prior to signing of each subaward, a pre-award survey is conducted to determine appropriate instruments and required interventions, and then a financial training is organized for all subgrantees to inform them of all financial requirements of handling CISLAC Nigeria's funds.

Financial records for USG-funded projects are retained for three years after submission of final reports or final audit closeout. Financial records for non-U.S. government funded projects are retained in the office for the duration as specified or required by donors after submission of final reports or final audit closeout.

2 INTERNAL CONTROL POLICIES

It is CISLAC's policy to maintain an effective system of internal control in order to provide management with reasonable assurance that assets are safeguarded and transactions are authorized, valid, complete and accurate. CISLAC Nigeria has developed and implements a system of internal controls that includes the following elements:

- a) Adequate segregation of duties. No person should have control over a transaction from beginning to end. Ideally, no person should be able to record, authorize and

reconcile a transaction. When unable to sufficiently segregate duties, the CR can increase the review and oversight function.

- b) Transactions are authorized and performed by persons acting within the range of their authority.
- c) Transactions are clearly and thoroughly documented and available for review.

3 FINANCIAL RECORDS

CISLAC Nigeria maintains an accounting system which includes the following Journals and records: cash register, petty cash, journal entries, and payroll. In addition, copies of bank statements, cancelled checks, and bank reconciliation statements, summary of expenditures, and a subgrant matrix are maintained and on file.

4 INFORMATION SECURITY

CISLAC Nigeria's financial database is maintained on a computer. Access to this information is restricted to authorized personnel.

The Accountant is responsible for the database and coordinates access security. Only duly authorized staff are assigned system IDs and passwords that permit access to the system. Each ID is unique in order to track user activities and provide for accountability. Access rights are based on the level of responsibility each user has.

Passwords should be used to ensure the correct identification of authorized users by the system. Passwords are to be kept secret, not easily guessed, and changed on a regular basis. The CR keeps a complete record of all IDs and passwords used for all systems.

All access privileges are to be canceled or amended for terminated or transferred employees.

The accounting system database is backed up every Friday from sever into the external hard disk drive by the IT staff and it is also written onto an external hard drive on a monthly basis by the Accountant. The backed up file of the accounting system is also kept at CISLAC HQ.

5 SEGREGATION OF DUTIES AND RESPONSIBILITIES

5.1 Country Representative (CR)

The Country Representative is granted Power of Attorney (POA) by CISLAC Headquarters. The CR is responsible for the overall program administration and ensures that objectives are fulfilled as stated in grant agreements or contracts with donors. The CR operates the programs in accordance with CISLAC policies and procedures, the rules and regulations of the donor, and the laws of the country.

5.2 Level of Authorization for Head of Unit

The head of each program unit is authorized to approve as a single signatory on their project activities and procurement cost up to NGN 50,000.00 (Fifty thousand naira only). The head of Administration and head of Finance unit are authorized to approve as a single signatory on any procurement for daily operational costs up to NGN 50,000.00 (fifty thousand naira only). All requests need to be reviewed by the Head of Finance so

that there is verification that the budget supports the request. Any project activities and or procurement cost above NGN 50,000.00, the head of each unit is required to submit a request to Finance Unit for their review. After reviewed, the Finance Unit will submit the request to CR or his designee for approval.

The COPs for USAID programs are authorized to approve as a single signatory on their project activities, procurements and subgrant decision. All public documents (Payment, Receipt and Journal Vouchers) above NGN 5,000.00 are required to have final approval from the CR or his designee before any final payments are made.

5.3 Authorization for Approving on Vouchers

The Head of Finance is authorized to sign as a single approval on all payment, receipts, and journal vouchers cost up to NGN 5,000.00 (Five thousand naira only). Above NGN 5,000.00, CR or his designee needs to sign as a single approval on all vouchers.

5.4 Approval on Subgrantee Budget, Cash Request, and Advance Liquidation

5.4.1 Approval on Subgrantee Proposed Budget

All subgrantee budgets submitted to CISLAC need to be reviewed, checked and approved by the Program Coordinator and SFAO before final review by the Grants Manager (GM) and approval by the CR.

5.4.2 Approval on Subgrantee Cash Drawdown Request

All subgrantee cash drawdown requests need to be reviewed and checked by the related Program Officer/Coordinator (PO/C) quarterly before submitting to the Accountant for processing payment. The Accountant needs to sign as a reviewer on the monthly payment voucher before submitting to the CR or his designee for final approval.

5.4.3 Approval on Subgrantee Advance Liquidation

All subgrantee financial reports and liquidation reports need to be reviewed and checked by both the Accountant and PO/C monthly. After the completion of reviewing and checking, the Accountant will submit the subgrantee liquidation report to the SFAO or GM for approval and then will prepare a journal entry to liquidate the subgrantee outstanding advance from the CISLAC financial system. The Accountant needs to sign as a reviewer on the journal voucher before submitting to the CR or his designee for final approval.

6 CASH AND BANK MANAGEMENT

6.1 Bank Accounts

Authorization to open a bank account for the project is given to the CR through a Power of Attorney issued by the President and CEO of CISLAC. The title of the account must bear the name of CISLAC and not the individual's name.

- CISLAC Nigeria has opened the US Dollar, Naira and Master Card bank account for its operation.

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- Three authorized signatories including the CISLAC Nigeria CR, Deputy CR, and the Program Coordinator (PC) are authorized to sign on checks. To be valid, all checks must have two signatures of the authorized signatory, and one signature must be the CR. Checks are co-signed by CR and the Deputy CR. In case the Deputy is absent; the PC will co-sign with the CR. In case the CR is absent, The Acting CR will co-sign with the PC.
 - The CISLAC Nigeria bank account is also required to include the additional two signatories from CISLAC HQ. These include the President and CEO, and the Vice President Operations.
 - Funds are requested from CISLAC Headquarters and wired into the US dollar bank account (the primary account) on a monthly basis.
 - After funds are received from HQ, into the US Dollar account, an instruction is sent to the bank after negotiating on the prevailing exchange rate to convert a said amount from the Dollar account and pay into the local currency account.
 - Checks are issued to cover expenditures for more than NGN 5,000.00 (five thousand naira)
 - Upon receiving the checkbooks from the bank, it must be ascertained that all book pages are intact
 - Tight security over the checkbooks will be maintained and unused books kept in a locked safe under the responsibility of the Finance assistant. The checkbooks in use and the counterfoil checks should be kept under lock and under the responsibility of the Accountant.
 - Finance will organize itself so as to make check payments only twice a week (*every Tuesday and Thursday*). If any additional emergency payments arise, they can be made after informing the CR.

A listing of all checks (check register) for all CISLAC Nigeria bank accounts must be presented to the CR or his designee each Friday. This listing will allow him or her to review all checks written in the current period, assure the checks are written in numeric order, insure that no check is missing and that void checks are tracked, and ensure that the accounting records (QuickBooks) are kept current.

The following procedures are strictly prohibited:

- Checks payable to "BEARER" or "CASH"
- Checks signed in blank

6.2 Petty Cash Fund

A Petty Cash Fund (in the local currency, Naira) has been established to meet minor and recurring expenses (taxi fares, copying, small office supplies, meeting refreshments, etc.), which would not normally require the issuance of checks.

All petty cash is to be kept in a secure place in the office, preferably in a safe box, and it should have limited access. Access to the Safe box is limited to the following:

- The CR has access to the key of the safe but not to the safe codes
- The Accountant has access to the safe codes but not to the key of the safe. The Accountant has the authorization to change the safe codes when necessary to ensure that there is no other third party knows the safe codes.
- The OA who is assigned as the Petty Cash Cashier (PCC) serves as the custodian of the petty cash funds and has full access to the key.

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- In case the PCC is on vacation, the Accountant will ensure that the PCC, before taking vacation, leaves a portion amount of the petty cash to another staff (who is assigned as the temporary PCC) to be used to cover small expenditures during that period. A written document signed by both the staff and PCC when handover that portion of the petty cash needs to be documented. Upon the PCC's return, the staff person who is assigned as temporary PCC, will hand over all petty cash funds remaining with a summary list of expenditures made by petty cash attached with the invoices/receipts for those expenditures to the PCC. A written document signed by both the staff and the PCC when the PCC received the remaining petty cash funds is required.

The assignment of this task above will assure proper safeguarding of the Petty Cash funds without hampering the operations of the project.

The following controls have been established to facilitate tight management of the petty cash accounts:

- The Petty Cash is maintained in Naira.
- The Petty Cash is used to cover expenditures below or equal to NGN 5,000.00 (five thousand naira only). Cash payments of more than NGN 5,000.00 should be paid by check. The initial petty cash fund will be NGN 50,000.00 (fifty thousand naira only). This amount may be increased or reduced depending on the volume of transactions that will be assessed periodically by the SFAO and signed and approved by the CR.
- To establish a Petty Cash fund, a check for an initial amount of fifty thousand Naira is written to the OA and cashed at the bank.
- The US dollar Petty Cash should be replenished only by checks when the balance is less than NGN 5,000.00. The check is written to the PCC for all petty cash replenishment (a memo authorized that all checks written for petty cash replenishment be written to the PCC needs to be documented). Occasionally, petty cash may be replenished even if the balance is more than NGN 5,000.00; this occurs only when the finance unit has a high demand from different projects at once i.e. if many staff need advance cash for traveling to the field within a certain period.
- A regular cash count should be conducted by the SFAO or the CR on the petty cash account at least one time per month. A surprise cash count also should be conducted on a regular basis by the Accountant before replenishment. This spot check is documented each time to show a listing of the vouchers already paid plus the physical count- denominated by each piece of bill (e.g. 10 bills of 100 naira equals NGN 1,000) with a total equal the amount of cash balance. The total of the account. If there is a difference, this difference must be explained. A signed cash count sheet needs to be documented each time a cash count is performed. A copy of the signed cash count sheet may be provided to the CR upon request.
- All cash counts must be conducted in front of the PCC.
- The petty cash fund should not be mixed with other funds of money and should not be used for short-term loans for employees or officials.

Petty Cash reimbursement requests must follow the following procedures:

- The staff member requesting reimbursement must have the receipt and/or request signed by their supervisor (this constitutes approval).

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- After supervisory approval, the staff member will bring the receipt and/or request to the PCC who will prepare a petty cash voucher (Payment Voucher).
 - The PCC will attach the receipt and/or request to the payment voucher and pass it to the Accountant for review, and then it will be submitted to the SFAO for approval.
 - After approval, the PCC will reimburse the staff member, having the staff member sign for the receipt of cash.
 - Next, the PCC will stamp the payment voucher and receipt "PAID" and file it along with all accompanying documentation in the appropriate file.
 - The PCC will update the spreadsheet after each transaction.

When replenishment is necessary, the following procedures will be followed:

1. The PCC will fill out Petty Cash replenishment form and then notify the Accountant that Petty Cash needs to be replenished. At this point, the Accountant will follow these internal control procedures:
 - The account expenses are reconciled first and budget codes and account codes are assigned for all expenses.
 - The Petty Cash payment vouchers are totaled.
 - Remaining Cash is counted.
 - Total Petty Cash expenses are subtracted from the original amount of Petty Cash
 - A comparison of remaining Petty Cash and the amount from the Petty Cash balance are compared. These should be the same. If not, the Accountant should notify the SFAO.
 - The Accountant needs to sign on the Petty Cash replenishment request form
2. After reconciling Petty Cash, a check voucher (payment voucher) is prepared for the amount of cash needed to return the fund to its original amount. This amount should be the total of petty cash payment vouchers.
3. Enter the check in the Cash Register as a credit to the bank account and a debit into the Petty Cash accounts.

6.3 Cash Register

A Cash Register is a chronological record of all project expenditures and income. A Cash Register is maintained for each of the two bank accounts and is set up in QuickBooks. For expenditures, or payments, the register shall include the following:

- Check date;
- Payee;
- Description of transaction;
- Check number;
- Account code;
- Amount of payment;
- Program name/code (class name)

For income or receipts, the register shall include:

- Date of deposit;
- Payer (funding source);
- Description of transaction;
- Voucher number;
- Account code;

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- Amount of funds received;
 - Program name/code (class name)

The beginning balance of the current month is the closing balance of the previous month. QuickBooks will automatically subtract each payment and add each receipt to keep a running balance. The ending balance must be reconciled to the monthly bank statement. Each transaction will be supported by proper documents (local purchase orders, vouchers, vendor invoices and receipts, bank deposit slips, copy of checks, etc.)

A weekly Cash Register will be printed and presented to the SFAO or CR or his designee.

6.4 Cash/Check Collections

These collections include monies in the form of check or cash paid in by debtors, donors and other miscellaneous sources. Cash receipts should be protected from misappropriation. Access to cash receipts and cash receipt records should be limited to authorized personnel. Authorized personnel should include the OA, who serves as the PCC, and the Accountant. Cash receipts that have not yet been deposited should be locked inside the safe box.

- The PCC receives cash/check collections and issues the official receipts. If the PCC is unavailable, the Accountant will receive cash/check on behalf of the PCC and issue the official receipts.
- Cash receipts in triplicates should be used when collections are made with one copy for the person paying in the funds and the other copy kept by the PCC to attach it to the receipt voucher for CISLAC Nigeria records and a copy retained in the receipt booklet.
- Funds received by a person other than the PCC should be transferred to the PCC the same day or the following working day.
- The PCC will prepare a deposit slip for each transaction and individual remittance.
- The PCC will deposit all checks and cash collections on the date of collection or on the following day that the collections were made after banking hours; the PCC will assure that this is completed and receives the document from the bank that indicates the deposit was made.
- The official receipts and deposit slip should be attached with the Receipt voucher for the approval from the CR or his designee.
- The SFAO or the accountant will review all receipt items to assure that the receipt amounts from the PCC are the same as the official receipt/deposit slip amounts.

6.5 Cash Drawdown Request and the wire transfer from CISLAC Headquarters

- Cash drawdown requests to Headquarters will be made after the close of the month and after the completion of the financial reports. The time period for cash drawdown request may be adjusted if funds are required earlier. The SFAO has to keep in mind that the drawdown request should be submitted to CISLAC HQ no later than COB Tuesday of any week in order for headquarters to transfer the requested amount by COB Friday of that week. The wire transfer from HQ may take up to three days to reach CISLAC Nigeria bank account.
- The cash request form should be prepared by the SFAO and approved by the CR or his designee. A detail of projected expenditures for each project need to be attached to the cash request form. The detail projected expenditures showing

line item projections for the following months plus a half month projection to allow for continuous and uninterrupted operation of project activities while recognizing the turnaround time for CISLAC Headquarters to process the request. The cash request should be projected separately between those projects under CISLAC Institute and CISLAC Inc.

- Cash request forms shall be transmitted to headquarters via email or fax. The original form should be sent to headquarters via DHL together with the monthly financial reports and a copy should be retained in CISLAC Nigeria's files.
- After the cash drawdown request has been sent, CISLAC HQ will inform CISLAC Nigeria the confirmation number with the amount of the transfer. This amount should be compared with the amount in the cash drawdown request and the amount received in the CISLAC Nigeria US dollar bank account. As soon as funds are received, CISLAC Nigeria's SFAO will acknowledge and inform CISLAC HQ that funds have been received. Any discrepancy between the requested and received funds amount should be followed up immediately with headquarters and the bank.

6.6 Journal Entries

The General Journal entries are used to record accounting transactions other than those recorded through the Cash Register—such as recording liquidation of advances, bank fees and interest, or reclassifying entries (changing the Project or Account Code) made in previous periods etc. Original supporting documents explaining why the journal entries are being made must be attached to the Journal entry.

The functions of preparation and approval of the general journal entries have been separated to observe internal control. The general journal entry will be prepared by the assigned Accountant, review/approved by the SFAO, CR or his designee (excluding subgrant advances liquidation). The journal entries for liquidation of subgrant advances are reviewed by the Accountant before submitting them to the SFAO, CR or his designee. In all cases, the general journal entry voucher must be approved by someone other than the person preparing and reviewing the journal entry voucher.

7 PAYMENTS

A sound system of cash control requires that payments be made by checks or by bank transfers. However, drawing a check or bank transfer is not practical for small expenditures, or in the case of emergency, or where circumstances demand for payment to be in cash. It thus becomes necessary to maintain a Petty Cash Fund. All CISLAC Nigeria staff should continuously seek to reduce the necessity to make disbursements via Petty Cash on a regular basis. Staff is required to encourage vendors to accept payments by checks. CISLAC Nigeria uses Payment Vouchers with appropriate supporting documentation to document cash disbursements and to maintain proper internal controls on expenditures.

7.1 Petty Cash Payments

- Petty cash payment vouchers are prepared by the PCC (OA) reviewed by the accountant, and approved by the SFAO, CR or his designee for any expenditure below or equal to NGN 5,000.00 and approved by the CR or his/her designee for any expenditure beyond NGN 5,000.00.
- Based on the approval of the payment voucher, the PCC settles the payment.
- After the payment is settled, the PCC stamps it with "PAID"

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- The PCC records the paid vouchers in a Petty Cash book and prepares a petty cash summary replenishment.
 - When disbursements are made from the Fund, the vouchers attached with the supporting documents must be entered into the petty cash tracking spreadsheet by the OA for monthly data entry by the Accountant into the CISLAC Nigeria accounting system.

7.2 Check Payments – Excluding Salary Payment

- The OA initiates check payments by 1) raising requisition for the payment which is authorised by the SFAO and approved by the CR or his/her designee; 2) preparation of a payment voucher upon receipt of an invoice and other supporting documents.
- The payment voucher is reviewed by the accountant and/or the SFAO and approved by the CR or his/her designee.
- The check is prepared by the OA.
- Checks are co-signed by CR and the Deputy CR. In case the Deputy is absent; the PC will co-sign with the CR. In case the CR is absent, the Acting CR will co-sign with the PC
- Check photocopied by OA.
- Check delivered to payee or payee is called to collect payment by OA
- Voucher, copy of the check, and invoice and payment are recorded in General Ledger by the accountant, and then filed.
- Once the check is prepared and signed, a check photocopy is made to be attached to the payment voucher and invoice. The invoice will be stamped with "PAID" to indicate that payment has been made.
- When payments are made, the vouchers attached with the supporting documents must be presented to the Accountant for data entry into CISLAC Nigeria accounting system.

7.3 Salary Payment

Salary will be paid on the 25th of each month. In order to be paid, employees must submit timesheets that are approved by the head of unit, COP, and/or CR or his/her designee.

Staff can consider using the following salary payment methods:

- Check payment
- Bank transfer

For further details, please refer to the CISLAC Nigeria Personnel Manual.

7.4 Subgrant disbursement

Procedure:

- All requests for cash drawdown from the subgrantees must be reviewed and checked by the GM and the related program staff. The program staff is responsible for validating that the subgrantee has completed the workplan for this drawdown period.
- The PO/C, after reviewing and checking the request submits it to the Accountant for certification and then submits it to the CR or her/his designee for approval.

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- After the approval on the request for cash drawdown from subgrantees, the GM will submit to the Accountant for preparing disbursement to subgrantees.
 - The Accountant will ensure that the OA prepares the remittance document or check and payment voucher, then pass it to the SFAO for review and then submit to the CR or his/her designee for final approval.
 - After approval from the CR, the OA needs to copy the approved remittance document before sending out to the bank and keep it attached with the payment voucher and other supporting documents.
 - The OA collects debits advice from the bank to attach with the copy of the request for cash drawdown and payment voucher and files it in the appropriate location.
 - On the same day that funds are transferred, the OA is obliged to inform the related GM, Program Officer/Coordinator and subgrantee that funds have been successfully transferred.

8 BANK RECONCILIATION

Bank reconciliations will be performed on a monthly basis. The bank reconciliation statement is to reconcile the month end balance per the Check Register to the bank statement when it is received. When completed, the bank reconciliation statement will reflect the difference between the cash on hand according to the bank statement and the actual cash on hand per the Check Register.

There is usually a difference between the bank statement and Cash Register records because:

- Some of the checks written may not yet have cleared the bank at the time the bank statement is issued;
- The bank charges/fees have not been recorded in the Cash Register;
- Deposits may have been made close to the end of the month, after the bank statement has been issued by the bank.

At the end of each fiscal month, the bank reconciliation is prepared by the accountant. Below are the detailed steps for performing bank reconciliation:

- Compare last month's bank statement ending balance to the beginning balance on the current month's bank statement. Also compare the cut-off dates on the bank statement (*from the 21st of the month X to the 20th of the month X+1*) to ensure that there are no days missing between the statements.
- Compare last month's bank reconciliation to the current bank statement. Verify that all items in the "Balance per Bank Statement" section have cleared the bank:
 - Verify all deposits in transit have cleared. If not, list the amount on this month's bank reconciliation, but follow-up action is necessary as this deposit is lost.
 - Verify that all outstanding checks have cleared the bank. If not, list the check on this month's bank reconciliation. If the check is considered "stale" (check has been written 6 months ago but has not cleared the bank) by the laws of the Kingdom of Nigeria, contact the check payee, stop payment on the check, make a correcting entry to reverse/void this check and process a new check to the supplier.

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- Verify that any bank errors have been rectified. If not, list the amount on this month's bank reconciliation but follow-up action is necessary.
 - For any follow-up action, the CR or his/her designee needs to be notified of the issue.
 - Compare the beginning balance in the current month's general ledger cash account with the ending balance from last month's general ledger cash account.
 - Verify that all entries have been posted from last month's bank reconciliation into the current month's cash account register.
 - Verify that each check and each deposit (every entry) in the general ledger cash account has been posted by the bank. If an item is in the general ledger cash account but not in the bank statement, the Accountant must record it in the bank reconciliation. If it is an item that should clear the bank, record it in the "Balance per Bank Statement" section. If it is an error that needs to be corrected, record it in the "Balance per Cash Account" and make the general journal entry to correct it the next month
 - For checks shown in the cash account but not in the bank, list these as "Outstanding checks" on the bank reconciliation
 - For deposits shown in the cash account but not in the bank, list these as "Deposits in Transit" on the bank reconciliation
 - For errors that are found, i.e. an amount recorded incorrectly in the cash account; list these as adjustments to the "Balance per Cash Account" in the bank reconciliation. The general journal entry needs to be prepared to correct these errors. If the QuickBooks report has already closed for the period, the general journal entry must be posted in the following period.
 - For any bank error identified, notify the bank in writing and list these as adjustments to the "Balance per Bank Account."
 - Verify that all items in the bank statement are now accounted for through the comparison with the general ledger cash account. If items still remain in the bank statement, those items need to be recorded in the bank reconciliation. If it is an item that should appear in the cash account, it needs to be recorded in the "Balance per Cash Account" and prepare the general journal entry to pass next month. If it is an error on the bank's part, include the item in the "Balance per Bank Statement" section and notify the bank:
 - For any deposits found in the bank statement that are not listed in the cash account, list these as additions to the "Balance Per Cash Account" on the bank reconciliations. This can include interest or deposits that had failed to record in the cash account
 - For any fees found in the bank statement that are not recorded in the cash account. List these as deductions to the "Balance per Cash Account" on the bank reconciliation. These can include wire transfer fees, check printing charges, service fees, etc
 - For any errors found in the bank statement, if they are bank errors, notify the bank in writing and list these as adjustments to "Balance per Bank Statement."
 - After every item has been checked off in both the bank statement and the general ledger cash account, the bank reconciliation is ready to be finalized:
 - List the balances per the bank statement (ending balance) and the general ledger cash account (ending balance) on the bank reconciliation.
 - Add and subtract all adjustments to these items as identified in the above steps.

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- The "Adjusted Balance Per Bank Statement" and the "Adjusted Balance Per Cash Account" should equal. If they are not equal, you need to look for the difference and identify the error.
 - The final steps include the signing and checking of the bank reconciliation:
 - The individual preparing the bank reconciliation will sign the bank reconciliation.
 - Attach the following documents to the reconciliation:
 - Signed Reconciliation.
 - Copy of Last Month's reconciliation, bank statement and general ledger cash account.
 - This month bank statement.
 - This month's general ledger cash account printout.
 - All general journal entries to be passed.
 - Any correspondence with the bank regarding errors.
 - The SFAO will review and sign the bank reconciliation.
 - The signed packet will go to the CR or his/her designee for review and signature.
 - The signed reconciliation and bank statement will be scanned and sent to CISLAC HQ, as a part of the month end reports.
 - A copy of the signed reconciliation and the bank statement will be sent with the hard-copies of documents to CISLAC HQ.

9 TRAVEL AND PER DIEM

9.1 Travel Authorization, Advances and Reconciliations

Procedures:

- The traveler completes the Travel advance form and scope of work form indicating the purpose of travel, schedule of the trip, list of anticipated expenses to be requested for advance, and then submits it to the Head of Unit/COP or the CR or his/her designee for approval.
- The form is then submitted to the General Accounting Team for disbursement of funds. The OA assigns an authorization number to the form and keeps a log for all travel approved, the authorization number is usually the check/PV number. The authorization number is used as a reference when entering into QuickBooks.
- The OA prepares payment documents and gets it approved from the CR or his/her designee.
- The traveler makes a copy of the approved travel advance request form and keeps the copied sheet to fill out the travel expense report after the trip.
- The traveler will complete a Travel Expense report to liquidate the advance. Receipts and other related documents are stapled/glued to sheets of paper and need to be attached with the expense report (for international travel, attach airline ticket and boarding pass) and submitted to the Head of Unit/COP or CR or his/her designee for approval.
- Any overpayments to the traveler must be reimbursed to CISLAC Nigeria in cash in order to clear their advance. An official receipt of cash will be issued to the traveler upon received the reimbursement.
- Amounts that CISLAC Nigeria owes to the traveler will be paid out no later than three (3) working days after receipt of the travel reconciliation.
- All reports, receipts, and vouchers are filed by the OA.

- The Accountant monitors any advances aging balances and reports the status to the SFAO on a monthly basis. The SFAO will then report to the CR on those advances outstanding aging balances.
The travel advance must be settled within ten (10) working days after the completion of the trip. The second travel advance request will not be issued if the traveler has not settled the first request. Occasionally, employee can request the second advance without settling the first one by seeking approval from their Head of Unit, COP, CR or his/her designee and must fall within the following conditions:
 - The second travel schedule is less than ten (10) working days from the first trip
 - The traveler has other urgent assignment that does not allow his/her enough time to settle the first advance within the given number of days (10 working days after the trip) and the next trip have already been scheduled.
 - Due to the holiday or illness after the trip and the next trip have already been scheduled
- Failure to settle a travel advance may result in the entire amount of the advance being withheld from the traveler's salary within the discretion of the CR.

9.2 Local (city) Travel

In case that CISLAC's cars are not available at the time of travel, staff can use motor-taxi and CISLAC will reimburse based on the cost for motor-taxi. In order to get reimbursement, staff needs to follow the following procedures:

- Staff fills out the CISLAC Voucher/Receipt form after travel.
- Staff submit the CISLAC Voucher/Receipt form to the direct supervisor for approval, and submit to Finance for getting reimbursement.
- Finance reimburses staff within 2 days after receiving the approved Voucher/Receipt form.

CISLAC has no liability or responsibility if staff decides to use their own vehicle for transportation.

9.3 Domestic Travel (Field Trip):

CISLAC Nigeria pays a per diem allowance including meals and incidental expenses (M&IE) and for the lodging costs up to a pre-determined maximum amount. CISLAC Nigeria has adopted its own per diem rates for all travel within country. This per diem rate will be applied to all CISLAC Nigeria staff, consultants who have residence in Nigeria, government employees, and other CISLAC partners/stakeholders that travel for CISLAC business.

Per Diem comprises (in country):

- a) **Meals and Incidental Expenses (M&IE)** are payable at rates specified in the CISLAC Nigeria per diem schedules which are updated regularly. The maximum daily amount available for CISLAC Nigeria employees and consultants is presently at NGN 8,500.00 per day. This rate will be reviewed at least on annual basis;

On days of travel, the M&IE allowance is adjusted as follows. For the first day of traveling, 75% of the M&IE rate of the destination will be paid to the traveler. The last day of travel will also be 75% of M&IE rate for the destination.

b) Lodging, the maximum approved lodging rate for CISLAC Nigeria is NGN 25,000.00, this is also subject to regular review by the SFAO and approval by the CR, as specified in the CISLAC Nigeria Personnel Manual. Staff members are obliged to submit receipts for lodging to claim lodging cost.

c) Reimbursable Expenses: The following are the additional items that CISLAC Nigeria will reimburse to staff after the trip completion:

- Actual costs of local travel—including taxi fares or other transportation costs required by CISLAC business, or other travel expenses not pre-paid before travel begins—as required by the authorized itinerary.
- Telephone, facsimile and Internet charges for official messages while in travel status.

Employees receive reimbursement for travel expenses upon submission of the Travel Expense Report. Receipts are required for all expenditures claimed for travel reimbursement including lodging, transportation, telephone bills etc.

9.4 International Travel

For international travel, all CISLAC Nigeria staff, consultants, government employees, and other CISLAC partners/stakeholders, the U.S. Department of State per diem rates will apply unless both parties agreed to a different rate, but cannot go beyond the U.S. Department of State rate.

a) Meals and Incidentals Expense (M&IE) are payable at rates specified in the per diem schedules which are updated regularly. When travel is more than 12 hours but less than 24 hours, only 75% of the applicable M&IE rate will be applied. When travel is 24 hours or more, the applicable M&IE rate will be applied as below:

- For the first day and the last day of travel, 75% of the applicable M&IE rate will be applied.
- For the full day of travel, 100% of the applicable M&IE rate will be applied.

The applicable M&IE rate is defined as following:

For days of travel which:		Your applicable M&IE rate is
Require lodging		The M&IE rate applicable for the Temp Duty (TDY) location
Do not require lodging	Travel is more than 12 hours but less than 24 hours	The M&IE rate applicable to the TDY site or the highest M&IE rate applicable when multiple locations are involved.
	Travel is 24 hours or more, and you are traveling to a new TDY site or stopover point at midnight.	The M&IE rate applicable to the new TDY site or stopover point.
	Travel is 24 hours or more, and	The M&IE rate applicable to the

	you are returning to your official station	previous day of travel.
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If meals are provided by the hotel or hosts, then the MI&E per diem is broken down into:

- Breakfast: 20%
- Lunch: 30%
- Dinner: 40%
- Incidental: 10%

b) Lodging which is based on actual receipts up to the maximum amount specified in the US Department of State schedules. CISLAC Staff are encouraged to take the least expensive acceptable accommodation.

c) Reimbursable Expenses

The following are the additional items that CISLAC will reimburse to staff after the completion of the trip:

- Actual costs of local travel—including taxi fares or other transportation required by CISLAC business, or other travel expenses not pre-paid before travel begins—as required by the authorized itinerary.
- Cost of additional luggage, when the employee is required to carry additional weight on CISLAC's behalf.
- Privately-owned motorbike or vehicle: The use of a privately owned motorbike or vehicle on official business will be reimbursed at the rate of motor taxi (public transportation).
- Fees in connection with the issuance of passports, or visas, cost of photographs for passports, and charges for inoculation are reimbursable upon presentation of supporting bills.
- Telephone, facsimile and cable charges for official messages while in travel status.
- Safe call will be reimbursed up to ten (10) minutes duration for staff who travels overseas within one week period. After the first week, an additional five minutes per week will be reimbursed to staff that travels overseas and stay longer than one week.

Employees receive reimbursement for travel expenses upon submission of the Travel Expense Report. Receipts are required for all expenditures claimed for travel reimbursement including lodging, transportation, telephone bills etc.

10 REPORTING

10.1 Monthly Financial Reporting to Headquarters

All CISLAC field offices are required to close the books on the 20th of each month. Before doing the monthly closing, the Accountant needs to make sure that all journal entries for corrections and adjustments as requested from HQ are entered into the current period and all postings of current period are completed. Below is the process of producing and preparing the monthly financial report:

- The Accountant collects bank statements from the bank at the end of the fiscal month. The Accountant will ensure that there are no days missing in the cut-off

dates on the bank statement (*from the 21st of the month X to the 20th of the month X+1*).

- The Accountant prepares bank reconciliation for all CISLAC bank accounts and attaches the bank statements, general ledger (export from QuickBooks), Summary of Expenditure (SOE), HQ journal entries, and standard balance sheet.
- The Accountant will scan all documentation approving charges on behalf of other programs not controlled by CISLAC Nigeria within the report period (These will have a code of 3 in the T3 column of the Journal Entries).
- The Accountant will compile all reports that have been already prepared above into a workbook and send to the SFAO or Deputy CR for his review.
- The SFAO or Deputy CR reviews the workbook and will include the subgrant matrix in the workbook, fill out the Financial Report Checklist and sign it, then will submit it to the CR or his/her designee for final review and approval.
- The workbook contains the following tabs and spreadsheet:
 - Journal Entries for CISLAC Inc.
 - Journal Entries for CISLAC Institute
 - SOE
 - General Ledger
 - Standard Balance Sheet
 - Subgrants matrix
 - Bank Reconciliations – one tab for each bank account (scan signed reconciliation into this tab).
 - Bank statements – one tab for each bank account.
 - Scanned copies of documentation approving charges to programs not controlled by CISLAC Nigeria office (these will have a code of 3 in the T3 column of the Journal Entries).
 - Financial Report Checklist – scanned and signed by both the SFAO and the CR.
- The SFAO or Deputy CR will give a copy of the above workbook to the CR or his/her designee for review and approval BEFORE sending it to CISLAC HQ Finance Officer. The SFAO or Deputy CR will also sign the bank reconciliation with the bank statement and general ledger cash account, the financial report checklist and submit to the CR in hard copy for his signature.
- If the CR is going to be out of the office during the review period, he will need to appoint the Acting CR in writing. The acting CR will be responsible for reviewing and signing the reports on his behalf.
- The SFAO will need to send an email stating the appointment of the acting CR to the HQ Finance Officer for their file.
- The Accountant makes sure that all vouchers, receipts/invoices, the financial report and cash drawdown request are photocopied and filed in the appropriate location.
- The Accountant will assure the completeness and orderliness of the documentation to be submitted to headquarters.
- The workbook, together with the expatriate timesheets, funds transfer request, and other documents should be DHL to CISLAC HQ, attention to the HQ Finance Officer, **no later than the 5th of the month** subsequent to the reporting period along with an email with electronic copies of the workbook.

10.2 Financial Report to Donors

- The official financial reports to the donors are issued by CISLAC HQ.

- The submission of the official financial reports to the donors can be submitted by CISLAC HQ or CISLAC Nigeria
- For any projects receiving funds support from USAID, CISLAC HQ will fill out the Financial Status Report (FSR-269) and submit directly to Nigeria USAID mission with a cc to CISLAC Nigeria.