Uganda Martyrs University

FINANCE MANUAL

First Edition 2015

Revised 2024

Preamble

The Finance and Accounts Policies & Procedures Manual provides guidance to the usersin the execution of Finance and Accounts function and in carrying out their day-to-day work systematically and professionally.

It provides key steps that shall be employed in conducting various tasks of Finance and Accounts function, right from budgeting, book keeping and preparation of Financial Statements and Reports.

The Manual also gives the policies that are necessary for proper execution of various functions of Finance and Accounts. It shall be availed to all staff that are involved in carrying out finance and accounts work.

The Manual shall serve as a reference guide to staff with responsibility for the financial operations of the University.

The policies in this manual clearly state responsibility, authority and accountability.

It shall be the responsibility of all finance officers to familiarize themselves with thepolicies in order to provide proper guidance to all University employees.

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Definitions of Terms

Financial Statements

This refers to Statement of comprehensive Income, Statement of Financial position, Statement of Cash flows, and Statement of Equity and Notes to the Statements.

Statement of Comprehensive Income

This statement gives the operating performance during the time period, inclusive of income and expenses-including non-cash items like depreciation and provisions.

Statement of Financial Position

This reports the financial position of the business unit's assets and liabilities at current values.

Statement of Equity

This gives the Business owners' (shareholders) interest/stake in the company.

Statement of Cash Flows

This gives the company's cash activities, with cash receipts, payments and net change resulting from operating activities, investing activities and financing activities.

Notes to the Financial Statements

These explain the items presented in the main body of the financial statements.

Evaluation Committee

A technical committee appointed by the PDAC to evaluate bid proposals.

Contracts Committee

A committee appointed by the PDAC to draft contracts of major projects

Inventories

These refer to items mainly held for use in the provision of services and shall include: consumable stores, maintenance materials, spare parts, work in progress (e.g.

educational/training course Materials), and land/property for sale.

Physical stocking taking

This is the process of counting, weighing or otherwise measuring all items in stock and recording the results.

Key Abbreviations

CFO	Chief Finance Office
Cr.	Credit
Dr.	Debit
DVC	Deputy Vice Chancellor
EFT	Electronic Funds Transfer payment system
LPO	Local Purchase Order
PDAC	Procurement and Disposal of Assets Committee
PR	Purchase Requisition
RTGS	Real Time Gross payment services
UMU	Uganda Martyrs University
VC	Vice Chancellor
WIP	Work in Progress

1.0 Financial Governance Structure

The **Vice Chancellor** is the Accounting Officer of the University.

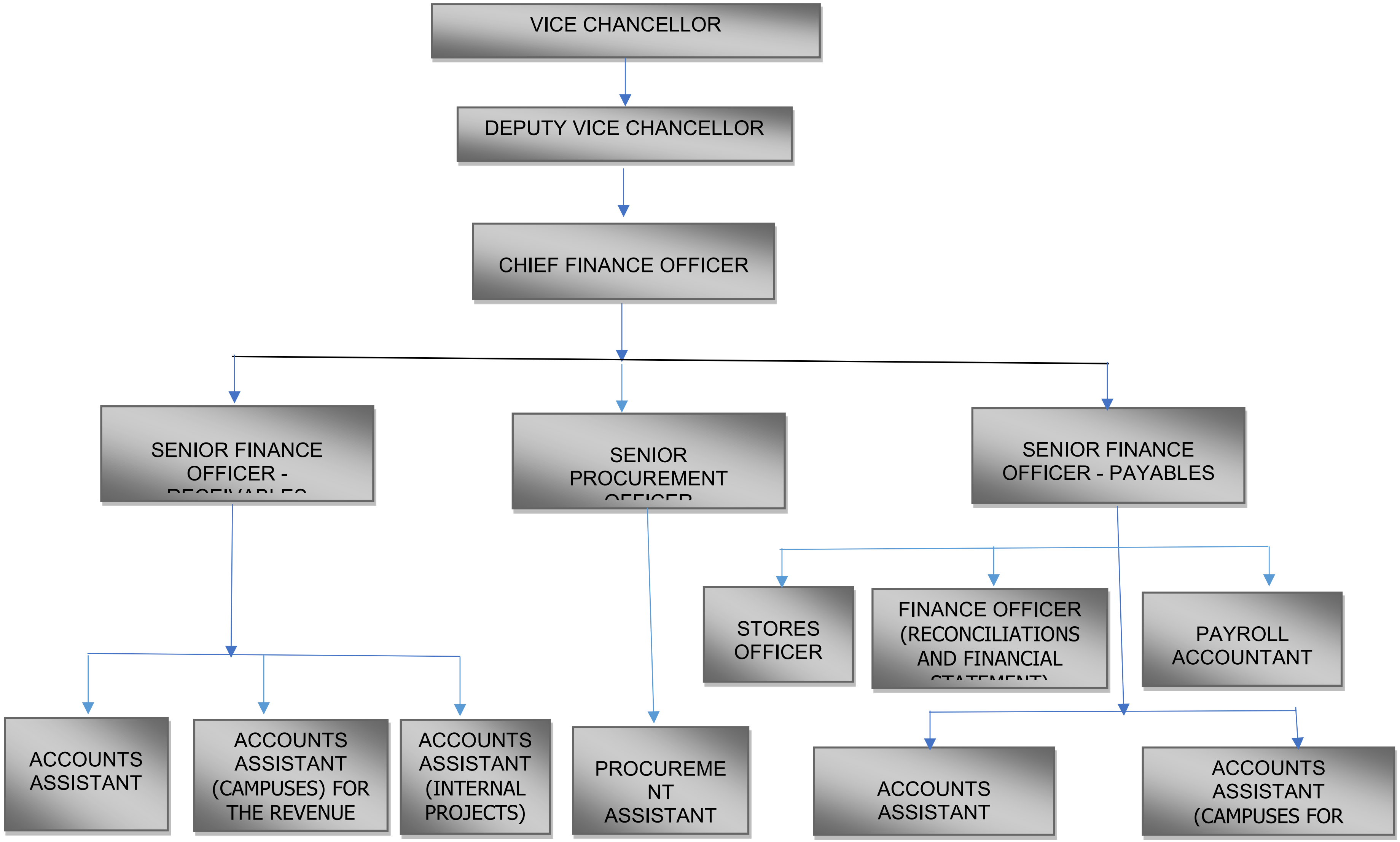
The **Deputy Vice Chancellor** is the Head of Finance Department which is responsible for planning and management of financial, human and material resources of the University in addition to other roles.

The **Chief Finance Officer** is responsible for the day-to-day financial management and administration of the University and the supervisor of all staff in the Finance Department.

The **Senior Finance Officer Payables** is responsible for preparing management accounts, budget and budget performance reports and financial statements among others. The Senior Finance Officer Payables is responsible for staff in the Expenditure Section.

The Senior Finance Officer Receivables is responsible for recording, processing and posting all transactions related to revenue, including generating and maintain reports relating to revenue, generating and maintaining an aged schedule of all university debtors, and is responsible for supervising staff in the Revenue Section.

FINANCE STRUCTURE



1.1 Other Governance Structures

University Council: The University Council, as the governing body of the University, has theoverall responsibility for its direction, management and administration. The University Council's key financial responsibilities are as follows:

i. ensuring solvency of the institution;
ii. effective and efficient use of resources;
iii. financial control;
iv. ensuring systems are in place and are working efficiently, effectivelyand with economy,
v. ensuring that the
vi. university income is diversified by reducing the dependency on tuitionincome.

Besides safeguarding the University's assets, Council's responsibility is also to approve the University's strategic plan, annual estimates of income and expenditure (budgets); annual financial statements and financial policies. Council is also responsible for the appointment of the institution's external auditors, institution's internal auditors, and championing resource mobilization activities of the University.

Finance Committee: It is chaired by a technical expert and has other members of the University Council.

Audit Committee: It is chaired by a technical expert and hasother members of the University Council

Staff Committee: Chaired by a representative of Episcopal Conference and a member of University Council and has other members of the University.

Management Committee: Chaired by the Vice Chancellor, this committee monitors implementation of financial and other policies and the University Strategic Plan.

The Procurement and the Disposal of Assets Committees (PDAC): The Committees shall be responsible for the management of all procurement and disposalactivities within its jurisdiction in accordance with this Financial Manual and Procurement Manual.

1.2 Key controls

The key controls in the Finance and Accounts Department include:

Segregation of duties such that staff in the Revenue Department generates and updates information in accounting software while the staff in the expenditure department generate the reports.

1.3 Key financial responsibility

The Vice Chancellor is the accounting officer of the University and shall be kept informed of the Financial Position of the University on a regular basisthrough the Chief Finance officer in Management meetings and University Council meetings

1.4 Funding and Budgetary Control

The major source of funding for university operations is student income. Other sources of incomeinclude: ground rent, grants, donations and investments. There is however, a strong need to diversify other incomes and reduce the ration of student income from 90% to 50%.

1.5 Authorized signatories and signing mandate

The University SHALL have THREE signatories to all university accounts who are the Vice Chancellor – Principal signatory, Deputy Vice Chancellor – 2nd signatory and theChief Finance Officer – 2nd signatory. Signing Mandate SHALL be PRINCIPAL signs with one of the SECONDARY signatories.

1.6 Accounting system

The University is currently using Zee-varsity-Xero accounting software supported by the Zee-varsity Management Information System.

1.7 Application for access to Zee-varsity

Application for access is submitted to the Senior Finance Officer Payables and upon approval the User account is created by the Head ICT.

1.8 Deletion of a user from the Zee-varsity and Xero systems

Upon transfer or termination of an employee the head of department notifies the Senior Finance Officer Payables and the Head ICT who deletes the User from the system.

1.9 Chart of Accounts

See **appendix I**

1.10 Chart of accounts for projects

The Chart of accounts for projects/grants shall vary from project to project.

2.0 Procurement and Disposal of Assets

This section covers policies, procedures and guidelines that shall guide the University in the procurement, disposal and management of suppliers. The objective is to set up clear policies and procedures to ensure value for money in the procurement process.

2.1 Key Responsibilities of the Procurement and Disposal of Assets Committee

The Procurement and Disposal of Assets Committee shall be responsible for the management of all procurement and disposal activities within its jurisdiction in accordance with this Financial Manual, regulations and guidelines.

2.2 Terms of reference

The Procurement and the Disposal of Assets Committees shall constitute members of university staff and shall be appointed by the Vice Chancellor. The committees shall plan the procurement and disposal activities for the University, recommend procurement and disposal procedures; check and prepare statements of requirements; bid documents and advertise bid opportunities; contract documents; monthly reports for the Management Committee; and any other such reports as may be required from time to time; issue bidding documents; recommend to the Management Committee successful bidders; maintain and archive records of the procurement and disposal process and co-ordinate the procurement and disposal activities of all the departments.

2.3 Duties of Procurement and Disposal of Assets Committee

For duties of this committee, refer to the Procurement and Disposal of Assets Manual 2024

2.4 Approval Limits for Purchases

The approval for purchases shall be guided by the following:

From UGX 1.0/+ to UGX 10,000,000/= User unit guided by the Chief Finance Officer

From UGX 10,000,001 to UGX 20,000,000/= by Deputy Vice Chancellor

From UGX 20,000,001 to UGX 50,000,000/= by the Vice Chancellor in consultation with the Procurement Committee

From UGX 50,000,001= to UGX 100,000,000/= by the Management in consultation with the procurement committee. This requires Management meeting minute and Local Purchase Order and /or Contract signed by Vice Chancellor.

Procurement of UGX 100,000,001/= Procurement Committee and above by Finance Committee of University council in consultation with the Management. This requires a minute of Finance committee and contract signed by Vice Chancellor.

NOTE: For details on the prequalification of suppliers, choosing a supplier, raising a purchase order and documentation of the purchasing process, refer to the Procurement and Disposal of Assets Manual 2024.

3.0 Stores

This section presents the Policies and procedures that describe the methodology that UMU shall employ when acquiring, handling, issuing and maintaining Inventories at the campus store.

3.1 Principal Responsibilities

The stores officer shall be responsible for:

1. The checking, handling and proper storage of all inventories received into the campus store;
2. The checking, packing and dispatch of all inventories issued from the campus store;
3. The correctness of stock balances; and the loss, shortage, leakage, damage, deteriorationor waste of any inventories held at the campus store. He or she shall verify the stock balances with the stores ledgers and bin (or tally) cards by systematic checks covering the whole store at least twice a year and he or she shall report immediately in writing to his or her supervisor any surpluses or shortages or deteriorated, damaged, unserviceable or obsolete stocks, when the stock of any article is excessive, and when any item of stock needs to bereplenished.

3.2 Inventory receipts

1. All inventory movements, including receipts shall be authorized in writing, recorded promptly,and balances thereof agree with physical inventories.
2. Goods received shall be checked and recorded against purchase orders and delivery notesand other shipping documents.
3. A proper inspection of goods received shall be carried out against specifications indicatedin the purchase orders and delivery notes etc.
4. All goods delivered which are not consistent with the specifications indicated in the purchaseorder shall neither be accepted nor received into the stores;
5. A Goods Received Note shall be issued immediately upon receipt of goods into the stores.

6. The Good Received Notes shall be issued in their numerical sequence;
7. Personnel in charge of goods received shall update stores records, in particular inventoriesreceived book, immediately upon receipt of goods into the stores;
8. Access to receiving and storage areas shall be restricted to authorized personnel only.
9. All items procured shall be received in the stores before they are dispatched to their respective locations.

3.3 Inventory dispatch

1) All Inventories shall be issued on the basis of approved Stores Requisition Order.
2) Inventory issue shall only be made to the beneficiary user Departments of UMU.
3) Access to stores and dispatch areas shall be restricted to authorized personnel of theUniversity.
4) Receiving personnel of the University shall be required to sign Stores Requisition Order asproof of receipt.
5) Issuing officer shall be required to sign the stores requisition Order as proof of issue.

3.3.1 Procedure for inventory dispatch

1. The User department shall complete the Stores Requisition order based on departmentalneeds. The Stores Requisition order shall be in duplicate.
2. Stores Requisition order shall contain the following information:
   - The department and section raising the requisition.
   - Quantity requested
   - Description of the item
   - Quantity of stock items issued
   - Date of request
   - Signature of the Head of department/section as per approval levels
3. After approval the Stores Requisition Order shall be forwarded to the Stores Manager.
4. The Stores Manager shall review the stores requisition order to ensure that it is authentic

and is based on previous usage.

5. The Stores Assistant shall move the items to the open dispatching area which facilitates easy counting of the issued items.
6. The personnel receiving the items shall ensure that the quantity and description of the goods on the Goods Delivered Note tally with Stores Requisition Order on receipt of the goods. The receiving personnel and the Issuing officer shall sign this document.
7. The Stores Manager shall update the inventory records such as bin cards and inventory control module to reflect the issues immediately
8. The original copy of Stores Requisition Order shall remain in the stores for data entry in theinventory control module
9. The duplicate copy of Stores Requisition Order shall remain with the requesting or user department.

3.4 Stock counts

Periodical stock counts shall be conducted from time to time to;

1) verify the accuracy of the stock records.
2) support the value of stock shown in the balance sheet.
3) to disclose the possibility of fraud, theft or loss.
4) to reveal any weakness in the system for the custody and control of stock.

3.4.1 Guidelines for Stock counts

1) A program shall be drawn up and agreed with all concerned, including Accounts Department,Finance department, auditors, the Estates Department and heads of academic units.
2) Proper cut off time, inventory report, stocktaking sheets or cards shall be prepared inadvance.
3) All personnel concerned shall be instructed and briefed before-hand on their respectiveduties on the day of the stock take.

3.4.2 Procedure to be followed during Stock counts

i. The Senior Finance Officer Payables shall control the whole operation.

ii. During the process of stocktaking, all campus stores shall remain closed.

iii. After the end of the last working day before the stock take, no more issues (deliveries) shall be made and no more receipts recorded into the Stores Management System until thestock take is complete.

iv. The number of the last receipt and issue shall be noted, and all documents up to andincluding these numbers posted to the computer system or records.

v. All the records shall be ruled off and no further postings shall be made until the results of the stocktaking have been entered.

vi. The stores shall be tidied and the number of items per pallet standardized to ease countingon the stock take day.

vii. Count teams shall be assembled on the day of the stock take. Each team shall consist of astaff from Finance & accounts, estates and internal audit.

viii. The number of items in each store/location shall be counted. The count sheet for store/ location shall be countersigned by the stores officer.

ix. Count teams shall count all normal stock including loose packages and items under inspection.

x. Damaged stocks shall be recorded separately.

xi. After the teams have completed their counts, they shall hand over the count sheets to theverifiers.

xii. The results of the count sheets shall be entered into a computer and verified on the spot.

xiii. The number of total items in the count and in the system shall be compared to see if there are any shortages.

xiv. In the event that the number of items does not match or there is a large discrepancy, then theitems which show large discrepancy shall be recounted immediately.

xv. The Annual Stock taking report shall be forwarded to Management with appropriate recommendations for disposal, acquisition and maintenance of assets.

3.4.3 Procedure at Year-End

Within seven days after the end of each financial year stock valuation lists shall be prepared as at the close of the financial year, showing the numerical and financial balances of each inventory item extracted from the unallocated stores ledgers.
The valuation lists shall be totaled to show the value of the stock in hand at the close of the financial year and signed by the accounting officer.

3.5 Fixed Assets Register

1) All university assets shall be categorized into relevant asset classes.
2) Unique asset identification numbers shall be provided for all assets and properly coded before release from stores.
3) Separate Registers shall be maintained for each class of structures owned by the University(valuation report).
4) Each asset shall be recorded on a separate page in the register.
5) At the end of the accounting year, the 'Closing / depreciated value' in respect on the current year shall be entered as 'Opening Value' of the next year (next row).
6) In the year in which there is any acquisition / improvement to the asset, the cost of the item shall be shown in the current year's 'Opening / acquisition' column.
7) For each entry made, the Name, Designation and Signature of the person making entry inthe register and the person checking the entry shall be recorded.
8) Totals shall be taken at the end of each year in respect of total cost incurred on acquisition / construction / improvement (from the date of acquisition/construction) for each of the assets owned by the University.

3.6 Accounting treatment

The following accounting entries shall be observed by all personnel in charge of updating thestores books of accounts;

Transaction Description	Accounting Entries
Goods delivered in stores	Dr. Stock Cr. Goods Receivable
Goods Returned	Dr. Returns Outwards Cr. Stock
Goods issued out from Stores	Dr. User Department expense item Cr. Stock
Returns Inwards	Dr. Stock Cr. Returns inwards
Damaged Stock	Dr. Damaged Stock Cr. Stock

4.0 Revenues and Receivables

This section presents the various sources of revenue derived by Uganda Martyrs University, themethod of collecting these revenues, Policies and procedures that shall ensure that all income of Uganda Martyrs University has been invoiced, collected and accounted for in a timely fashion.

4.1 Sources of Revenue

At Uganda Martyrs University, the major sources of revenue/income include: Government grants, income from students, research grants, investment income, fees and charges, endowment funds, rental income and income from consultancies.

4.1.1 Government Grants

This is income sourced from the Government of Uganda. The release of these funds is usuallypegged against specific activities. Accountability for these funds is crucial since it is pre-requisitefor any further funding.

Income received through government grants shall be spent on only those activities stipulated inthe release document and all expenditure made on such activities shall be accounted for by the respective spending University unit(s) or persons in a timely manner.

Procedure - Accounting Entries

On receipt of government grants, the following accounting entries shall be made in the universitybooks of accounts.

Dr. Bank

Cr. Government Grant

4.1.2 Income from Students

At Uganda Martyrs University, the fees collected from students form the single largest source of income. There are a number of categories of revenue sourced from students some of which include: Tuition, Accommodation/hostel fees, Development fees, Graduation fees, Workshop fees, ID fees, Fines, Application fees, Registration fees, Laboratory fees, Teaching practice/Internship fees, Certification fees and Re-issuance of certificates and transcript fees.

1) The amount payable per student shall be determined by the University Council in consultation with the University Management before the beginning of a financial year.
2) Every academic year the university shall publish an approved fees structure for each coursethat shall be used as a basis of billing students.
3) The students shall be required to pay the university dues according to the payment plan on the issued fees structure.
4) Fees income shall be recognized when an admitted student commences the course or whena student enrolls/registers for a new semester.
5) A punitive late penalty fee that shall be determined from time to time shall be charged for allpayments made after the payment plan timelines.

Procedures of Registering at the beginning of an academic year

(a) New Students

i. New students shall be given admission letters, which shall serve as the first accounting document for fees.
ii. On admission at the university, a student shall be advised of the fees payable and thedeadlines for paying the fees. The student shall be allocated a registration number and shall complete a registration form.
iii. On reporting the students shall register at the Faculty/Department.
iv. The faculties shall submit a report of students registered to the Academic Registrar for verification
v. The Registrar shall submit a report of students registered to the Senior Finance Officer to initiate thestudent billing process.

(b) Continuing student

i. At the end of the academic year, each student shall be given a copy of the fees structureapplicable for the next academic year in case of any change in the fees structure.

ii. On reporting the students shall register at the Faculty/Department at the beginning of eachacademic year

iii. At the beginning of each semester, the student enrolls on the Zee-varsity system and automatically billed/invoiced for the semester.

Payment procedures

(a) Fees Payment-L ocal

1. At the point of payment, a Payment Reference Number shall be generated for each payment that will be used to pay through Bank of Mobile Money
2. All payments shall be received on the University's fees collection bank accounts.
3. When the funds are received on the bank account, the student's ledger/statement shall be automatically updated on the system.
4. For students funded by organizations, invoices for the semester/academic year shall be issued to the sponsoring organization with bank details for payment indicated.
5. After the payment is made by the organization, the Senior Finance Officer shall allocate the funds to the different beneficiaries and also update the student's ledger.

(b) Fees Payment – International

1. A student shall be given an invoice and a fees structure. For new students an admission lettershall be issued prior to the beginning of the academic year
2. Students shall be given bank account details on which fees payable can be deposited.
3. The student/Parent/Sponsor shall then transfer fees directly to the University Account.
4. A Student/Parent/sponsor shall notify the Senior Finance Officer of the payment
5. The Senior Finance Officer shall then verify the details against the bank statement
6. Where details are not clear credit advice notes shall be obtained from the bank and detailsverified.

7. After reconciliation the transaction will be posted on the student's ledger
8. International students shall pay fees in United states dollars.

Enforcement of fees payment

a. Only students who have paid their tuition fully shall be allowed to sit exams.
b. Students shall have paid 50% of the semester tuition at the time of registration that is at the beginning of the semester.
c. Students who have not paid according to the payment plan shall not receive financial clearance cards and shall hence be denied access to university services such as access to lecture rooms, library, computer labs, infirmary, tests and assignments among others.
d. Student shall access their account statements on their student portals to monitor their standing with the University.

Invoicing

a. The official University Accounts Receivable system shall be the avenue for raising the invoice.
b. For transactions where immediate payment or payment in advance is required, a receipt shall be issued when a payment is received. The receipt shall contain the details of thetransaction and no invoice shall be required.
c. Where goods and services have been provided on credit, an official University invoice shall be issued immediately but not later than 30 days following the completion of services or delivery of goods.
d. The credit officer shall ensure that the details entered on an invoice are meaningful to thedebtor to facilitate effective follow up with the debtor.
e. The credit officer shall ensure that there is a daily update to the general ledger whenever an invoice is raised that credits the amount of the invoice to the departmental account withinthe general ledger.
f. The following shall be considered essential when raising an invoice:
g. Any existing supporting documentation e.g. Purchase Orders, contracts or

researchschedules shall be attached to the Invoice Request form.

h. A copy of the contract, including the payment schedule shall be attached.

i. The terms of credit shall strictly be fixed to thirty (30) days.

Issuing credit notes

1) When an invoice has been processed, adjustments shall only be made by way of a CreditNote Request.
2) A credit note shall be raised to:
    i. Record the return of goods or services
    ii. Record a reduction in the amount of the invoice
    iii. To cancel an invoice raised for an incorrect amount or other data entry error
    iv. To record a refund due to students who get scholarships and yet have paid their tuition.

Debt recovery management

(a) Students Debt Management Procedures

Students shall be required to meet all due dates of payment whether these are annual paymentsor instalments. Students whose accounts are not fully paid by the due dates shall be subject todebt recovery procedures below: -

1. Late fee charges which shall be determined from time to time. These shall be payable 14 days from the date of notification.
2. Restriction shall be applied that limits a student's access to the Library and IT facilities through issuance of financial clearance cards.
3. No student in debt shall be permitted to sit for end of semester/module exams.
4. No student in debt shall be permitted to register for a subsequent academic session.
5. No student shall be eligible for the award of a degree or other qualification by the Universityunless all fees for tuition, maintenance and any other sums, including fines owing to the University, have been paid.

(b) Bad debts

1. All possible measures necessary shall be taken in recovering fees due to the University.
2. Provision for doubtful debts will be done as follows;
   a) Invoices aged 6 months by the close of the financial year will be provided for at 30%
   b) Invoices aged between 7 and 12 months by the close of the financial year will be provided for at 50%.
   c) Invoices aged above 12 months will be fully provided for.
3. The Senior Finance Officer shall prepare a report of any revenue deemed to be uncollectible and submit it to the Chief Finance Officer.
4. The Chief Finance Officer shall review this report and present it to the Finance Committee of the University Council.
5. Any recommendations for write-off shall be supported by full details of the debt, and thereasons for its being irrecoverable.
6. No debt due to the University shall be deleted from the books until the University Council has so authorized.

Accounting Entries

Transaction Description	Accounting Entries
Billing/Invoicing	Dr. Income Receivable Cr. Students Revenue
Payment of tuition	Dr. Bank Cr. Income Receivable
Provision for Bad Debts	Dr. Bad Debts Expense Cr. Provision for Bad Debts
Bad Debts write-off	Dr. Provision for Bad Debts Cr. Income Receivable

4.1.3 Research Grants

Research grants are sourced from partner institutions. These grants are awarded basing on the merits of the proposal written, and they are pegged to an academic faculty and department. Implementation of activities funded by a research grant is managed under a project management system.

Policies for Grants

1) When approaches are made to outside bodies towards support for research projects or where contracts are to be undertaken on behalf of such bodies, it shall be the responsibility of theDean or Head of Department to ensure that the financial and academic implications have been appraised adequately. Individual project appraisal shall under normal circumstances be undertaken, in the first instance, by the relevant Faculty or Research Directorate.
2) The Dean or Head of Department shall be responsible for ensuring every application for research funding is appropriately examined and that there is adequate provision of resources to meet all commitments. The full cost of all Research Grants and Contracts shallbe established. Any possible conflicts of interest shall be identified and resolved.
3) The advice of the Legal expert of the University may be obtained for Research Contracts (where the terms and conditions are negotiable) where it is essential. The legal expert examines the terms and conditions of contracts supplied by external bodies, to ensure thatthey are acceptable to the University. The Legal expert may enter into negotiations with theexternal body, on behalf of the University, when necessary. Staff shall not negotiate or agreeto any contractual terms and conditions orally or in writing without advice from a member of the legal expert or approval from the Vice Chancellor, and in particular, shall not sign any agreement. (An oral contract is just as legally binding as a written contract).
4) All Research Grant and Contract agreements shall be in line with the University's financial pricing policy and adhere to all University pricing policies.
5) Each project shall have a separate bank account to avoid comingling of project funds withthe University funds.

6) Cheques of payments made out of project Bank accounts shall be signed by the approved University signatories, the cheque books shall be kept by the project coordinator who shallraise the payments and attach a cheque which he/she forwards to the VC/DVC FA/ CFO forsignature.
7) For large sums of payments (payments above 3,000,000) the CFO shall call the projectcoordinator to confirm payments.
8) Sample signatures of project coordinators, Deans and Heads of Department shall be kept inthe Finance Department.
9) The Dean or Head of Department shall accept all Research Grants on behalf of the University. The Academic Registrar or approved nominee, usually the Director of Research shall acceptall Research Contracts on behalf of the University.
10) All Project contracts/Research contracts shall be signed by the Vice Chancellor who is the University accounting officer.
11) The Chief Finance Officer shall maintain all financial records relating to Research Grantsand Contracts and undertake the initiation of all claims for reimbursement from sponsoringbodies by the due date.
12) Each grant or contract shall have a named supervisor or grant holder and shall be assignedto a specific Faculty or Faculties, who shall exercise full control of expenditure. The Dean or Head of Department may delegate day to day control of the accounts to the grant supervisor, but any overspend or under recovery of the Full Economic Cost shall be the clear responsibility of the Dean or Head of Department with any loss being a charge on Faculty or Department funds.

Procedures

1) Management of research funds shall be based on an approved project work/activity plan,project budget.
2) All projects shall have a designated project accountant who shall be under the general supervision of the Senior Finance Officer – Payables.
3) Each project shall have a designated bank account to prevent comingling of

projectfunds with the university funds.

4) Project requisitions and accountability shall be approved by the project coordinator.
5) Regular audits of projects shall be executed.
6) Projects shall describe the arrangement for payments to members of staff, in addition to theirnormal salary payments, that arise from work associated with a research grant or contract.

Accounting Treatment for grants

Transaction Description	Accounting Entries
Receipt of Grant	Dr. Bank Cr. Research Grant account
Expenses related to the project	Dr. Research Grant Cr. Respective expenses account (travel, administration expenses etc)

Role of the Project Officer

1. The project Officer shall have the right to access and inspect the records and financialprocedures associated with research grants
2. The Project officer shall ensure effective administration of research funding, in compliance with all administrative, financial management, and regulatory requirements stipulated in the contract agreements.
3. The project officer shall provide a monitoring and evaluation role by:
   i. Compiling work plans of the various projects
   ii. Compiling budgets of the various research projects
   iii. Obtaining quarterly management reports from the accounts department and reconcilingthem to the research project
   iv. Reconcile the work plans, budgets and management reports of research projectsregularly
   v. Ensure that all projects meet all the financial reporting requirements spelt out in thecontracts and the University financial policies.

Other administrative matters

1. Pre financing projects by the university shall be done only after confirmation has been received from the project funders' guaranteeing that funds used by the University on the project shall be refunded.
2. Financial Audit costs of project activities shall be borne by the project
3. An administrative overhead of 10-15% shall be charged on each project

4.1.4 Investment Income

Investment income is derived from investments that have been made by the University over aperiod of time. Investments include: shares, bonds, and Fixed Deposit and treasury bills. Investment income shall be managed and used depending on the retention and investmentguidelines of the principal and interest as may be agreed on from time to time.

For more details of Investments and how they will be managed, please refer to the Investment Policy of 2022.

Accounting Entries for Investments

Transaction Description	Accounting Entries
Investing funds	Dr. Investment Cr. Bank
Interest earned on an investment	Dr. Interest Cr. Interest receivable

4.1.5 Fees and Charges

Fees and charges include fees collected by the University on behalf of other entities these include: medical insurance, accommodation, and Alumni fees.
The collections of fees on behalf of partners shall depend on agreed terms that shall be spelt out in Memorandum of Understanding that the University shall undertake with them.
All such transactions shall incur an appropriate administration overhead charged to the partner.

4.1.6 Trust /Endowment Funds

Endowments represent money or other financial assets that are donated to the University.

Thesole intention of the endowment is to invest it, so that the total asset value shall yield an inflation- adjusted principal. The endowment funds may be managed as authorized by the Investment policy of 2022.

The policy is designed to fulfil the following objectives:

1. Provide security of invested principal
2. Provide for appreciation of principal
3. Provide a continuing and dependable cash payout within market constraints
4. Provide for planned liquidity for anticipated cash flow purposes
5. Manage market risks
6. Maximize overall total return within the established risk constraints
7. Provide for diversification of investment assets.

Endowment funds shall be invested to provide:

a. Funding for scholarships
b. Fellowships
c. Academic chairs
d. And other uses as specified by donors.

Annual payout to endowment recipients

The cash payout requirement for endowment funds shall be consistent and continuous. Income shall be sufficient to provide an adequate cash stream to support the programs for which the endowments were created. In addition, the corpus of the endowment accounts shall appreciateto ensure preservation of purchasing power, and also to satisfy the need for future growth in payouts.
The policy is to have a 5% payout ratio of the interest and principal.

Investment of endowment funds

This will be done to provide a continual and dependable cash payout, stable and preferably growing in realterms, after giving effect to inflation as well as cause the total value of the funds to appreciate, over time, exclusive of growth derived from donations.

Endowment funds shall be invested to meet these objectives, by maximizing total return consistent with an appropriate level of risk and subject to generation of adequate current income. Additionally, investments shall be diversified to provide reasonable assurance that investment in a single security, a class of securities, or market sector shall not have an excessive impact on the funds.

Accounting Entries for endowment funds

Transaction Description	Accounting Entries
Investing funds	Dr. Investment Cr. Bank
Interest earned on an investment	Dr. Interest Cr. Interest receivable

4.1.7 Rental Income

Rental assets such as equipment, buildings and vehicles which are owned by the University or where at least substantially all the risks and rewards of ownership of such assets are retained by the University shall be capitalized as fixed assets and depreciated over their estimated useful lives.

All rental income received or receivable in respect of rental assets shall be accounted for on an operating lease basis. Income from the rental of these assets shall be credited to revenue on a strict time-apportioned basis.

Procedure for Rental income

1. The University property shall be valued from to time
2. The rental charged shall be based on prevailing market rates
3. Tenants shall be sourced procurement guidelines set out in this manual
4. Once a tenant has been sourced a contract shall be signed with the tenant spelling outclearly the modus operand of the contract.

Documentation for Rental Income

The following documentation shall be maintained by Uganda Martyrs University

1. Rental/ Lease agreement
2. Invoices
3. Land Titles
4. Log books
5. Accounting treatment

5.0 Payment Methods

This section presents policies and procedures on all modes of payments that include: cash, Mobile Money payments EFT,RTGS, cheques among others. These policies are intended to ensure that payments are made only by responsible persons and that the payment if effected after assurance, on the basis of documentary evidence, is proper for goods and services.

5.1 Cash Payments

a. A voucher system shall be used to record cash payments.
b. The voucher system shall cover all types of payments that shall be made, and provide for the accurate recording of transactions, as well as accurate record keeping for reference back tothose transactions.
c. The voucher system shall include: vouchers, matching receipts that verify the amount on the voucher, and a filing system for paid and unpaid vouchers.
d. The accountability shall be part of the voucher system procedure which shall mandate thateach person involved in the process of making cash payment, be held accountable for theirpart of the process. From the staff members/supplier to the paying cashier everyone shallbe able to verify the accuracy of the request.
e. This method is only and only for emergency payments.

Procedure

The procedures for cash payments shall follow part 8.0: petty cash payments.

5.2 EFT payments

a. The Accounts Assistant shall prepare EFT request form which shall be reviewed by the Senior Finance Officer - Expenditure and verified by the Chief Finance Officer.
b. The EFT shall be authorized and approved by the Vice Chancellor and or The Deputy Vice Chancellor and the Chief Finance Officer.
c. Confirmation of amounts transferred shall be made against the bank statements.

5.3 Cheque payments

a) All payments shall be paid by closed cheques drawn on the University bank Account
b) All payments to local suppliers or any other institution shall be by crossed cheques, madepayable in the name of the payee.
c) Cheques shall be drawn in strict numerical order.
d) Cheques shall be made out to the payee exactly as per the payment voucher.

Procedures

When signing cheques, the following shall be verified:

a. Payee on voucher/cheque stub/cheque/cheque schedule are exactly the same.
b. Amount on voucher/cheque stub/cheque/cheque schedule are the same.
c. Words and figures on cheque agree and date is correct.
d. Cheque has all necessary stamps/crossings on it.
e. Correct cheque numbers are on schedule and voucher.
f. vouchers are properly authorized
g. Ensure that any prior cheque signatory/signatories has/have properly signed in all appropriate places.

5.4 Payments by RTGS

a. The paying cashier shall prepare the RTGS request form which shall be reviewed by theExpenditure Accountant and verified by Chief Finance Officer.
b. The RTGS shall be Authorized and approved by the Vice Chancellor and or The Deputy Vice Chancellor Finance and Administration and the Chief Finance Officer
c. Confirmation of amounts transferred shall be made against the bank statements.

5.5 Mobile Money payments.

There shall be a mobile money service supplier for Mobile money payments and procedures for requests are similar with above methods. The charges will always be stipulated in the agreement between Service provider and University

6.0 Management of Cash and Its Equivalents

6.1 Receipting

1. A receipt shall be issued on receipt of both cash and cheque payments. The Receipt shall be filled in triplicate where the original is given to the payer; the second copy is filed in a box file as support for the accounting entry and the third copy is held in accounts section for postings into the general ledger.
2. All receipt books shall be pre-numbered in numerical sequence and be used in that order.They shall be kept in the safe by the Chief Finance Officer who shall authorize their use.
3. All cash received shall be properly receipted and banked intact. Regularly a comparisonshall be made by comparing the day's cash receipts to the day's banking slips. Explanations shall be obtained for any discrepancies between the two records.

6.2 Recording of monies received

The following policies shall be followed when recording monies that have been received.

a. All money received shall be recorded by an entry for each individual transaction.
b. The payer shall be issued with a receipt upon request.
c. The receipt and cash receipt record shall indicate the mode of payment, i.e. cheque, cash,etc.
d. Receipts shall be issued in numerical sequence.
e. Details of each receipt shall be retained for the period as dedicated by company policies orgoverning laws of the country.
f. Details of each cancelled receipt shall be retained for the period set down in FinancialRecords and Reports.
g. Posting to the cashbook shall be promptly made and subsidiary ledgers updated
h. Posting to the Ledgers shall be done promptly.

6.3 Cancelled receipts

When a receipt is spoiled or cancelled it shall be stapled on the duplicate copy remaining inthe book or filed with the duplicate copy.

6.4 Safe Custody of Funds

The following policies shall be observed in maintaining physical security of cash

1. Ensure proper segregation of duties of key personnel. Each of the following duties andresponsibilities shall be segregated:
   a) Cash receipts
   b) Bank deposits
   c) Bank reconciliation
   d) Posting of deposits
   e) Cash disbursements
2. Receipts shall be of the numerical series and printed pre-numbered
3. These receipts shall be used sequentially
4. Adhere to a communicated policy of unannounced cash counts

6.5 Use of Bank Accounts

The use of university bank accounts for purposes other than official transactions is prohibited. In no circumstances may University money be lodged in a private bank account, nor may private money be lodged in a university bank account.

6.6 Signatures for withdrawals from university bank accounts

1) The Vice Chancellor shall be the principal signatory for all University accounts. Other signatories shall be the Deputy Vice Chancellor Finance & Administration and the Chief Finance Officer.
2) All cheques for payment of sums due by the University and other withdrawals from university bank accounts shall be signed by at least two authorized people.
3) The University Council may approve alternative or additional signatures to the above onrecommendation by the Vice Chancellor.

6.7 Cheque Books

6.7.1 Custody of Cheque Books

Cheque books, when not in use shall be kept under lock and key in a strong-room, safe or steelcabinet under the sole custody of the Chief Finance Officer or his/her delegated officer. Care shall betaken at all times to ensure that cheques cannot be extracted for fraudulent purposes.

6.7.2 Spoiled and Cancelled Cheques

When a cheque is spoiled or cancelled it shall be stapled to the counterfoil remaining in thebook or filled in a designated file.

6.7.3 Stale Cheques Drawn on University Accounts

a) Stale cheques shall be cancelled by a journal entry crediting the expenditure head to whichthe voucher was originally debited, and debiting the cash account.
b) Cheques so cancelled shall not be re-issued automatically but only on application from thepayee.
c) If a cheque is re-issued it shall be debited to the Expenditure head and credited by the journal entry.

6.7.4 Replacement of Lost Cheques Drawn on University Bank Accounts

a) When the cheque is reported lost, it shall not be replaced until the Vice Chancellor satisfieshimself/herself that the cheque has not been cashed.
b) The Vice Chancellor shall request the bank to stop payment of such a cheque and awaitconfirmation from the bank (in writing) that the cheque has not been cashed, and that a stop has been placed upon it.
c) Before a cheque is re-issued, the payee shall sign an indemnity to the effect that shall it be discovered that the lost cheque had been cashed by him, he/she shall refund to theUniversity the amount paid to him on the replacement cheque.

6.7.5 Deposit of Cheques in Bank

Officers depositing cheques at the bank shall enter the following details on the bank paying inslip:

a. the name of the University and Account number;
b. the amount of each cheque;
c. the name of the drawer;
d. the drawer's bank

6.7.6 Bank transactions to be brought to account

All withdrawals from or deposits in a bank account shall be entered in the cashbook for thesame day whenever possible. If not possible, they shall be clearly cross-referenced to the bankstatement date.

6.8 Reconciliation with Bank Account

a. Bank accounts shall be reconciled with the balance in the cashbook monthly within 10 days(by 10th of the next month) as soon as the complete Bank statements for any month are received.
b. The reconciliation statement shall detail all outstanding cheques, outstanding debits and credits and fully explain any differences between the balances.
c. A copy of the reconciliation statement shall accompany the monthly trial balance.
d. Bank statements shall be obtained as frequently as possible, and in any case not less thanweekly. Particularly at the monthly end, statements shall be obtained quickly and reconciledwith the cashbook by the end of the first week of the following month.
e. Action shall be taken to make the necessary entries in the accounts to rectify the differences between the bank statement and the cashbooks. In particular direct debits and credits to bank statements shall be brought into the cashbook and ledger accounts.

6.9 Dishonored Cheques

a) A dishonored cheque shall not be returned to the drawer until cash or a bank guaranteedcheque has been received in exchange.
b) cheques from persons whose cheques were returned by the bank endorsed "Refer to drawer", shall only be accepted when such a person tenders a bank guaranteed cheque -
c) Each step taken in pursuing the recovery of the amount due shall be noted on the R.D.cheque form
d) Action on the clearance of returned cheques shall not exceed four weeks. If not effected in the stated period, they shall be written out of the accounts.

7.0 Travel

This section presents policies and procedures on travelling so as to have clear justification andvalue for money arising from each official journey.

7.1 Local Travel

a. Prior to a trip, the staff shall receive authorization from their supervisor or dean.
b. Departments shall ensure that total travel expenditures do not exceedtheir own budgetary limitations.
c. The staff shall complete a requisition/claim form outlining the purpose of the trip and estimating the total travel costs. This form shall be signed by the staff, the DepartmentHead and the Budget Approval of travel expenses.

7.2 Travel abroad/international travel

a) Prior to a trip, the staff shall receive authorization from their supervisor or Head of unit.
b) Departments shall ensure that total travel expenditures do not exceedtheir own budgetary limitations.
c) Approval shall be obtained from the Director Human Resources and the Vice Chancellornotified of the destination and itinerary of the travel.
d) Staff attending conferences/seminars shall be required to submit a copy of the conference/seminar invitation/agenda with their request for approval.
e) The Staff shall complete a requisition/claim form outlining the purpose of the trip. This form shall be signed by the staff, the Department Head and the Budget Approval of travel expenses

7.3 Usage of private/personal vehicles

a) Personally owned vehicle shall be used only for short journeys where this constitutes the most economical means of transportation or where no suitable public transportation is available.
b) A personally owned vehicle shall be used for trips up to 500 km in round trip

length. For longer trips a staff may elect to use his or her own vehicle, but reimbursement for mileage travelled shall be limited to the equivalent least expensive mode of transportation to and from that destination.

c) All mileage travelled in an employee's personal vehicle when conducting University business(subject to the 500 km limit mentioned above) shall be reimbursed on a basis of an approved rate of shillings per kilometre basis. The rates are reviewed and adjusted from time to time.

7.4 Usage of public transport and motor vehicles

a) Automobile/vehicle rental arrangements shall be made with a recognized firm/company. Staff shall request the lowest available rental rate at time of booking.
b) Rental cars shall be used only when less expensive transportation is not available. Vehiclerental would be a reasonable method of transportation for round trip journeys up to 500 km.A rented vehicle shall not normally be used for round trip journeys in excess of this distance.
c) The service provide shall meet all the repair and fuel cost and a lump sum payment shall be made to the service provider by the University

7.5 Travel benefits

a) Per diem: The per diem method of reimbursing travel cost requires an overnight stay. Per diem includes the cost of accommodation, meals and living expenses and the rates applicable shall be the approved rates of the financial year.

b) Out of pocket: Covers expenses for personal items such as meals where there is no overnight stay

c) Air fare/Air ticket: If there is a compelling reason to purchase an air ticket, the dean/head of department, or his or her direct designee shall approve the request forreimbursement.

d) Conference registration fees: Registration fees shall be paid only if the expense does not exceed budget limitations. The conference is relevant to the staff job and shall improve his/ her performance. The staff member shall provide documentation reflecting registration details and cost.

Where conferences are fully sponsored the staff member shall be advanced an out-of-pocket allowance. Where the conference is not sponsored the staff member shall be advanced a per diem allowance to cater for accommodation, meals and living expenses.

e) Documentation

Travel claim/requisition form

Authorization of travel

Conference registration forms

8.0 Petty Cash

This section presents the procedures that shall govern all petty cash transactions as a way of minimizing loss of funds, enforce accountability and ensure that proper documentation is preparedto support all cash transactions.

8.1 General Policies

1) All payments made out of petty cash shall be made in accordance with the University policies governing petty cash use – mainly to cater for emergencies.
2) Petty Cash funds shall represent specified amounts of cash set aside to facilitate disbursementsfor relatively minor transactions and small expenditures generally that shall be made in cash.
3) Petty Cash/Imprest shall represent sums advanced to university staff to enable them meetanticipated but emergency official expenditure on business.
4) The Chief Finance Officer shall be responsible for determining the necessity for establishingpetty cash funds, controlling the petty cash funds outstanding, and maintaining petty cashfunds at the minimum balances required for the purpose intended.
5) Each petty cash fund shall be the responsibility of a single person who shall have access tothe fund (to the extent practical).
6) Cash funds shall have adequate safeguards relative to the size of the fund. In general, thefund shall be maintained in a safe with access limited to one person.
7) Petty cash vouchers shall be prepared in ink and signed by the person receiving the reimbursement from the fund.
8) Original receipts shall accompany vouchers to support expenditures, except for minor itemsfor which receipts are not reasonably obtainable.
9) An authorized individual (such as the Expenditure Accountant) other than the petty cash custodian (paying cashier) shall approve expenditures and advances for expenditures priorto disbursement.
10) Petty cash transactions shall be recorded and supported by vouchers.

11) The recipient of the petty cash shall be required to sign a petty cash voucher and providesupporting documentation when claiming.
12) Receipts and invoices presented to support petty cash purchases shall quote the supplierswhere appropriate.
13) The maximum amount payable from petty cash shall be determined from time to time asmay be appropriate.
14) Surprise cash counts shall be conducted on a regular basis by the Chief Finance Officer inthe presence of the Internal Auditor.
15) On a regular basis the safety code of the safe shall be changed.

8.2 General Petty Cash Procedures

8.2.1 Operation of Cash Payments Imprest

a) Whenever the imprest shall be issued, a cheque for the amount of the imprest shall bedrawn, and a personal account in the general ledger in the name of the imprest holder/Cashier shall be debited. The imprest holder/Cashier shall sign for the receipt of the imprest.
b) The imprest holder/Cashier shall maintain a petty cash schedule, showing all receipts intothe imprest and all payments out of it. Payments shall only be made out of the imprest on the basis of properly certified cash payment vouchers.
c) Periodically, the imprest holder/Cashier shall claim for re-imbursement of the imprest. Theamount claimed shall be the amount paid out of the imprest, as supported by imprestpayment vouchers. Re-imbursement shall be by cheque following the cheque payment system. This payment shall be coded to the various codes shown on the imprest paymentvouchers.
d) The imprest holder/Cashier shall be personally responsible for the imprest advanced to him/ her. He/She shall be responsible for balancing it each day, to ensure that retained cash andpayment vouchers total to the imprest amount.
e) The imprest shall be kept in a locked cash box in secure accommodation.

8.2.2 Temporary Imprest

a) Temporary imprest shall be issued for specific purposes, and shall be retired immediatelywhen its necessity for such purpose ceases.

b) Temporary imprest shall not be used for any other purposes other than that for which it is issued; notwithstanding that such other purposes may be official University business.

c) An imprest advance shall be made on the written authority of the Chief Finance Officer, onreceipt of an application in writing from the officer concerned.

d) The amount of the advance shall be limited to a reasonable estimate of the costs to beincurred.

e) The Senior Finance Officer - Expenditure shall be responsible for ensuring that temporary imprest is accounted for within one week (or any other time agreed time) of its necessity ceasing.

f) Failure by the accounting office/employee to comply shall result in the deduction of the totaladvance outstanding from his/her salary.

g) All disbursements out of an Imprest shall be accurately recorded and at any time, the totalof disbursements plus cash remaining, shall agree to the Imprest amount.

8.2.3 Office Float Replenishment

a) The Office Float fund shall be reimbursed, as often as necessary, by processing a payment voucher form. Replenishment of the fund is accomplished by processing a direct claim payment voucher and supported by required documentation:

b) The Office Float Reconciliation form

c) The Office Float Summary shall contain the summary of all the payments made out of the Office Float. This shall be attached to the Office Float replenishment request. The replenishment shall be for an amount equal to the payments made so that at any one time the Office Floatdoes not exceed the maximum allowable amount.

d) The imprest holder/Cashier shall ensure accountability of the imprest(s) issued to him/her,including the submission of all necessary claim forms, receipted invoices etc.

e) Any claims which cannot be substantiated shall not be allowed as a charge in the accounts,and any such sums shall be recovered from the officer concerned.

f) No imprest may be advanced to an employee where a previous imprest is still outstanding.

8.2.4 Cash advance (accountable advance)

a) An officer of the University may be provided with advance money for the purpose of carryingout an activity e.g. traveling, cash purchases, payment of casual workers, etc.

b) The money so advanced shall be treated as a personal advance, until it is fully accountedfor.

c) An officer shall not hold more than one such advance at a time unless there is specific approval by the Chief Finance Officer.

d) The officer shall give the accountability of money advanced, within one week after completingthe activity for which the money was advanced.

e) In order to enforce financial management discipline, officers, who fail to give accountabilityfor money advanced within a period of three weeks, shall be subjected to disciplinary action.

8.2.5 Documentation

- Cash vouchers
- Advance request forms
- Petty cash schedules
- Monthly petty cash reports
- Surprise cash count certificate.

8.2.6 Accounting treatment

The following entries shall be made on replenishment of Office Float:

a) On posting of the expenses to the correct account

Dr.- The various expenses Accounts as shown on the summary sheet e.g.Travel Advances

Staff advances ….

Sundry Expenses ….

Cr.- Office Float

b) On replenishment of petty cash:

Dr.- Office Float

Cr.- Bank Account

9.0 Payroll Management

This section presents policies and procedure that shall govern the management and operationof the University payroll. The objective of these policies and procedures is to ensure that payroll data is accurate, reliable and complies with relevant regulatory practices. Payroll Management shall be subject to the provisions of the Human Resources Manual.

For the purpose of this manual, payroll management shall involve:

1) The creation of new employees on the payroll system.
2) Processing payroll payments to all employees.
3) Processing of employee salary packaging arrangements
4) Leave administration
5) Preparation and issue of Payment Summaries to Banks
6) Deductions to external bodies, e.g. PAYE, NSSF, Local Service tax and Health Insurance contributions
7) Issuing pay slips
8) Managing payroll changes arising from pay increments, promotions, dismissals andretirement
9) Managing overpayment procedures
10) The training of staff for the casual academic contract module.

9.1 Objectives of Payroll Management Policies and Procedures

The objectives of the payroll management policies and procedures is to ensure that;

a. The payroll is prepared for bona fide employees of the University only
b. Payroll data is accurate, reliable, and all salary deductions are calculated properly and
c. accurately; as per entitlements / appointment letter or any increments or Deductions
d. The payroll is approved and authorized by the responsible members of the Authority before

e. payments are effected;
f. Payroll complies with relevant legislation by deducting the appropriate statutory contributions
g. and current best practices;
h. Payroll is prepared promptly, and payments are effected within the stipulated timelines of the
i. University Human Resource Management manual;
j. All staff benefits are paid in line with the approved Human Resource Manual
k. Payments to staff members, statutory authorities (NSSF and URA) and third party payments(loans) are effected in time.

9.2 Payroll Administration Guidelines and Policies

a) Confidentiality

Payroll staffs are unique in that they handle sensitive records of a personal and financial natureabout all University employees. Hence all payroll staff shall be required to maintain confidentiality. In addition, the staff shall be required to take an oath of secrecy.

b) Staff Identification number

All staff shall be required to obtain a staff number that shall be used as a means of identification when uploading and updating information on the payroll. In addition, each staff member is required to furnish staff managing the payroll with their National social Security Number and Tax Identification Number upon accepting appointment at the University.

c) Bank Details and Changes

Payroll staff shall only change details with written authority. Email/faxed notifications are permissible. Banking details shall not be accepted over the telephone

d) Confirmation of Salaries

Payroll information shall not be provided to third parties (eg banks, mortgage lenders etc) unless prior written approval has been provided by the employee to release such information. The employee shall name the institution(s) that shall be making the enquiry.

e) Payment of claims

Claims for payment (casual hours, overtime, casual academic contracts, etc) shall only beprocessed on original, correctly authorized documentation. Payroll staff shall not process claimsfor payment that are supported by faxed, photocopied, or emailed documents. Shall an originalclaim for payment be mislaid, a certified copy shall be acceptable.

9.3 Payroll Management Procedures

It shall be the responsibility of the Director Human Resource to inform the Accounts payroll section of all the changes to the standing information on the payroll for each month by the 10th day of each month, in respect of:

i. Appointments
ii. Dismissals
iii. Terminations and resignations
iv. Leave without pay
v. Suspensions
vi. Promotions/demotions
vii. Transfers
viii. Salary reviews resulting from increases/decreases
ix. Permanent allowances and other benefits (training allowances, special allowances)
x. Staff deductions such as loans
xi. Timesheets and overtime summaries
xii. Any other authorized changes which shall affect the monthly pay calculations

9.4 New Appointments

1. Appointment letters are received by the Payroll Accountant from the Human Resources Director accompanied by all the required documents

2. The payroll Accountant shall verify the appointment letter with respect to;

i. Name of Employee
ii. Department deployed

iii. Salary level

iv. Terms of engagement - casual, contract or permanent

v. Effective date of appointment

vi. Signature of appointing authority

3.The accompanying documents are verified by the payroll Accountant and these include copies of:

i. Tax Identification Number

ii. National Social Security Fund Number

iii. Bank Account Name, number and branch

4.The Payroll Accountant enters the employee details into the System as

5.The employee is allocated the payroll number manually to the employee after confirmationof the current last number in the payroll. The employee information below is captured in the system:-

i. NSSF Number, Tax Identification Number, Bank details-Account

ii. Number and Bank Code, Date of Birth, Department, Appointment date, Pay

iii. Details-Basic Pay, House allowance, Travel allowance for non-residents and any other allowances e.g. Responsibility, entertainment, car allowance, telephone allowance if applicable

6.Employee details are then processed by the payroll accountant in the payroll system.

7.Reconciliation of input and output is done by the Payroll Accountant to ensure that all inputs have been captured.

8.After reconciliation the payroll accountant shall print the following records: - reports, otherdeductions reports, Pay slips.

9.The Senior Finance Officer shall verify, review the reports and forward to the Director Human Resources.

9.5 Existing Employees

1) Adjustments or change requests from employees and Human Resource Director shall be effected into the payroll system by the payroll Accountant.
2) These adjustments include promotions, acting allowances, and annual increments,

leave allowance bonus/Christmas gifts, deployments to different departments and separations which shall be received from the Director Human Resources.

3) Other adjustment schedules which include bank loans, Salary advances, Staff contributions, Health Care contributions, electricity bills, phone bills
4) Employee details are then processed by the payroll accountant in the payroll system.
5) Reconciliation of input and output is done by the Payroll Accountant to ensure that all inputs have been captured.
6) After reconciliation the payroll accountant shall print the following records: - reports, otherdeductions reports, Pay slips.
7) The Management Accountant shall verify, review the reports and forward to the Director Human Resources.

9.6 Visiting Lecturers

This policy shall be considered together with the policy of visiting academics.

A visiting professor/lecturer is usually an academic from another institution of higher learning (usually another university outside Uganda) who comes to Uganda Martyrs University (UMU) fora specified period. The expectation is that such a person shall return to his/her home institutionat the end of the appointment period.

Visiting professors are appointed for specified periods, usually for one semester and ordinarilyshall not exceed one academic year.

Benefits

1) Honorarium as may be determined from time to time
2) A return economy air ticket
3) Health care insurance
4) Accommodation
5) The tax obligations accruing shall be computed basing on the period of stay and theindividuals tax obligations from the country of origin.

9.7 Cessation of Employment

9.7.1 Casual and fixed term (or non-continuing) staff

1) All casual and fixed term staff are terminated automatically at the end of their contract unlessadvice is received from the supervisor advising that a subsequent contract is to be executed.
2) For fixed term staff, this information shall be provided at least six weeks prior to the end ofthe contract to avoid a potential severance payment liability.
3) Supervisors are notified by an automated email of a pending contract expiry, so if supervisory relationships change, it is important to keep Human Resources informed.

9.7.2 Permanent (or continuing) staff

1) All notices of retirements, and resignations shall be acknowledged by the appropriate supervisor and forwarded to the Director Human Resources, who shall in turn advise the Payroll Accountant for the calculation of termination benefits.
2) Failure to advise Payroll in a timely manner may lead to an overpayment of salary which thefaculty/unit shall have to expense until the debt is recovered.
3) Termination payments are paid into an employee's bank account the pay day after their official last day of service.

9.8 Annual Adjustments of the Payroll

1) All changes to standing data including changes to address and bank details shall be notifieddirectly to the HR Department. The HR Department shall notify the Payroll Officer in writingof these changes.
2) The Human Resource Director shall keep a personnel record for each member of staff under him, indicating the financial information necessary for him to correctly calculate salaries. The record/standing data shall include:
    i. Appointments
    ii. Dismissals
    iii. Terminations and resignations

iv. Leave without pay
v. Interdictions
vi. Promotions/demotions
vii. Transfers
viii. Salary reviews resulting from increases/decreases
ix. Permanent allowances and other benefits (training allowances, special allowances)
x. Staff deductions such as loans
xi. Timesheets and overtime summaries
xii. Any other authorized changes which shall affect the monthly pay calculations

9.9 Incorrect Payments

a) Staff shall contact the Payroll Accountant when an incorrect salary payment has been identified.
b) In situations where an overpayment has occurred, the issue is discussed and the repayment options and schedule is negotiated with the employee. Under normal circumstances, the debt shall be repaid within a two-week period.
c) A copy of all documentation relating to the overpayment shall be kept in the employee's personnel file. In addition, the supervisor shall also be notified.
d) If the matter remains unresolved, it shall be referred to the University Lawyer who may resort to legal measures to recover the debt.

9.10 Mid-Month Salary Advance

All staff members of Uganda Martyrs University qualify for a salary advance
Staff members shall submit a mid-month salary advance request to the Chief Finance Officer bythe 15th day of the month. The salary advance shall not exceed approved limits as stated in theHuman Resource Management manual.

Procedure

a) The salary advance shall be applied for in writing to the Chief Finance Officer
b) The Chief Finance Officer shall check the amount on the salary advance application toensure that the advance is within the approved limits
c) Once the advance is approved it shall be forwarded to the accounts department for recordingin the accounting system.
d) After recording the advance application, it shall be forwarded to the Expenditure Accountant for payment.
e) A summary of salary advances granted shall be submitted to the Payroll Accountant as aninput into the payroll. The advance shall be deducted from the individual's salary when preparing the payroll.
f) All salary advances shall be recovered in one instalment during the month when the advancewas taken.
g) The Director Human Resources shall be notified of the staff who have been given salaryadvance.

9.11 Documentation/Reporting

The final payroll shall be printed/generated in soft and hard form by the payroll section together with the following reports: Staff details, NSSF report, PAYE report, Departmental summary, Pay slips, Bank transfer list and Payroll reconciliation.

9.12 Accounting entries

Dr. Staff emoluments - (various departments)
Cr. Salaries/Wages payable
Cr. Various deductions with total payroll costs.

Dr. Salaries /wages payable
Cr. Cash / Bank
With the actual take home

Dr. Various deduction accounts

Cr. Cash / Bank

Cr. Staff a/c (advances recovered)

With the deductions as they are paid off.

10.0 Long Term Liabilities

This section of the financial manual sets out the procedures for the approval, establishment, drawdown, repayment and reporting of monetary borrowings.

10.1 Definition

Borrowing is the act of accepting money under a contract which requires its return, normally with an associated interest charge. Borrowing arrangements may include advances by way of loan or overdraft from the Government, a financial institution, any bank or any other person.

10.2 Procedures

1. The Chief Finance Officer shall apply in writing to the Finance Committee through theManagement Committee stating the purpose of the borrowing, amount required, proposedterm of borrowing and sources of repayment.
2. The Finance Committee shall:
    i. review the justification for and requirement to borrow;
    ii. identify a maximum borrowing limit; and
    iii. Recommend the borrowing to University Council.
3. Approval of Request

Approval of the recommended loan facility is sought from the University Council, generally July/August of each year.

10.3 Long term Borrowing

Under the long-term facility, monies are borrowed for specific purposes, identifiable within theFinancial Management Plan/Strategic Plan.

10.3.1 Borrowing Limits

The maximum Long-Term borrowing amount the University may borrow in any financial year isthe maximum amount that has been approved by Council for that financial year

10.3.2 Advances/Drawdowns

All drawings under the Long-Term Borrowing Facility shall be subject to the prior agreement of:

- The Vice Chancellor;
- the Deputy Vice Chancellor
- the Chairperson of the Finance Committee.

10.3.3 Periodic Debt Service Payment

For the initial and subsequent draw downs, the lending agency in agreement with the Universityshall calculate the Periodic Debt Service Payment, to be paid by the University.

10.3.4 Prepayments

The University may repay the whole or any part of the amount outstanding under the Long-Term Borrowing facility at any time earlier than the expiration of the estimated term, subject to payment of any additional costs incurred by lending agency and giving the required period of notice. The security deposited with the lending agency to secure loan facility shall be redeemedupon repayment.

10.3.5 Disclosure

The balance of the Long-Term Borrowing facility shall be recorded in the books and records ofthe University at book value.

10.4 Overdraft Facility

This facility involves a lending institution making available to the University, until terminated byeither party, short term funding up to the facility limit, on a revolving basis, on specific terms and conditions.

10.4.1 Facility Limit

The overdraft facility limit is the maximum amount that has been approved by Council.The facility requires no further approval during the duration of its operation.

10.4.2 Drawdowns and Repayments

Each drawdown of the overdraft facility shall be authorized by:

- the Deputy Vice-Chancellor Finance and Administration and
- The Vice Chancellor

The repayment of overdraft facility drawdowns shall be a first charge on temporary surplus funds.

As the facility is revolving in nature there is no limit on the frequency or number of drawdownsand repayments which the University may make during the facility term.

10.4.3 Termination of Facility

The University may terminate the facility on not less than one month's written notice expiring atthe end of any calendar month.

10.4.4 Disclosure

The balance of the Overdraft facility shall be recorded in the books and records of the University at book value.

11.0 Assets and Capital Expenditure

This section presents the policies and procedures instituted at Uganda Martyrs University as away of ensuring safe guard of all Universities assets and that accurate records are maintainedfor all university assets.

For the purposes of this manual, a capital asset is a piece of property that shall meet all of the following requirements:

1. The asset is tangible and complete.
2. The asset is used in the operation of the University system's activities.
3. The asset has a useful life of longer than the current fiscal year.
4. The asset is of significant value.

11.1 Asset Category Definitions

Definitions of each asset category are presented below to assist in classifying where an item most properly fits.

a) Land

Capitalized at acquisition cost including assessments, legal and recording fees; draining, filling,other site preparation costs;

Land acquired by gift shall be capitalized at market or appraised value at the time of acquisition.

The acquisition cost of property that includes structures not to be razed (torn down) shall be allocated between land and buildings based upon appraised values.

b) Buildings

1. Acquisition by Purchase

Buildings acquired by purchase shall be capitalized at acquisition cost with the purchase price and associated closing costs allocated between land and buildings on the basis of currentappraised values. Additional costs incurred for the purpose of renovating or modifying the building's structure in order to place it in service shall also be capitalized.

2. Acquisition by Construction

Initial capitalization includes construction costs of the building structure, including all internal piping, wiring, and permanent fixtures associated with the distribution of utilities within the building. Costs shall also include architectural and engineering fees, inspection fees and permits, bid advertising expenses, construction financing / interest expense, and insurance costs incurred during the construction period.

3. Major Renovations and Leasehold Improvements

Renovations and improvements shall be added to the capitalized value of the existing structurebeing impacted. Such additions would include the following:

i. Ramps, truck doors, fire escapes and other appurtenances.
ii. Improvements requiring modifications of the structure to comply with current fire, health and safety codes.
iii. Improvements undertaken to convert unusable floor space into usable floor space; or upgrade the use of floor space, (i.e. converting storage areas to office space).
iv. Modernization of the structure as a whole, and not merely a rearrangement of selective office areas.
v. When the renovation project involves a significant razing of the existing structure, the costof the portion that was razed shall be removed from the asset. If the original cost figures are unavailable, a reasonable estimate of the original cost shall be used.

c) Roads and Landscaping

This includes construction costs of sidewalks, drives, parking lots, outdoor lighting, shrubs andtrees, lawns, and ground watering systems for lawns. Also includes surveying, filling, and draining costs if such costs are incurred solely for the installation of the improvement and are not part of an overall land acquisition and construction project.

Additions to existing sidewalks, drives, and parking lots shall be capitalized in the year completed. Maintenance, partial replacement and resurfacing projects are to be charged to expense duringthe period in which the work is completed.

d) Static Machines and Pipe Network

This includes the cost of acquisition as well as installation costs and legal and other fees,licenses, surveying, equipment rental, and any other such costs incurred in bringing the facilitiesto useable condition and present location.

Additions or extensions existing utility generators and distribution capacity shall be capitalized in the year such addition is completed.

e) Mobile Plant

Includes the cost of acquisition as well legal and other fees, licenses, equipment rental, and any other such costs incurred in the bring the plant to present location and useable condition.

f) Furnishings and Equipment

Items in this category shall be capitalized at net invoice price or market value, if acquired by gift, plus freight and installation charges.

g) Trucks, Buses and Cargo Vehicles; Major Equipment, Audio Visual Equipment, Copiers.

Vehicle cost includes net invoice price plus any dealer preparation and local delivery costs.Major equipment cost includes any site preparation costs and shipping, as well as all costsassociated with the installation of the equipment.

h) Autos, Vans and Passenger Vehicles

This includes net invoice price plus any dealer preparation and local delivery costs.

i) Computer Software, Hardware and Related Accessories

Computer software includes net invoice cost and any related consulting and/or training costs associated with the initial software implementation. Internally developed software costs are expensed during the period incurred. Computer hardware and related accessories include net invoice cost plus freight and installation charges.

All Furnishings and Equipment Not Specifically Defined in Other Classifications. This typically includes furniture, apparatus, machinery, implements and tools used in laboratories, offices, store rooms, and auxiliary enterprises, provided that such equipment has an economicuseful life of at least one years and meets the required minimum Cost Guideline for this category.

11.2 Capitalization threshold

Capital assets may be acquired through donation, purchase or may be self-constructed.

The asset value for donations shall be the fair market value at the time of the donation. The assetvalue, when purchased, shall be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of self-constructed assets shall include all costs of construction.

The following significant values shall be used for different classes of assets:

Class of Capital Asset	**Significant Value**
Machinery and Equipment	UGX 3,000,000/= or more
Buildings & Building Improvements	UGX 10,000,000/= or more
Land Improvements	UGX 5,000,000/=or more
Land	Any amount
Computer software	UGX 5,000,000/= or more
Intangible assets	UGX 5,000,000/= or more

11.3 Land

Land acquired by purchase is recorded at cost to include the amount paid for the land itself and all incidental costs. Land acquired by gift or bequest is recorded at the fair market value at the date of the acquisition.

When land is acquired with buildings erected thereon, total cost is allocated between the twoin reasonable proportion at the date of acquisition. If the transfer document does not showthe allocation, other sources of the information may be used such as an expert appraisal orthe real estate tax assessment records. Land is not depreciable. However, land can appreciate and this shall be established after valuation.

11.3.1 Land Improvements

This category shall include parking lots, outdoor lighting, covered walkways, fences, tennis courts, running tracks, and grandstands, etc. The Board does not capitalize landscaping. Land Improvements shall be depreciated over their estimated useful lives.

11.4 Buildings

Buildings shall be recorded at either their acquisition cost or construction cost. If a building is acquired by purchase, the capitalized cost shall include the purchase price and other incidental expenses at the time of acquisition.

If a building is constructed, the capitalized cost shall include all construction costs. The constructed building shall be capitalized upon completion of the project. For the first year, all the component units of the building, such as HVAC, plumbing system, sprinkler systems and elevators, shall be included in the capitalized cost of the building.

11.4.1 Building Additions

Building additions shall be recorded at their construction cost.
Building additions shall be capitalized separately and depreciated over their useful life.

11.4.2 Building Improvements

a) Component Units – (plumbing systems, sprinkler systems, elevators, etc.)
When building component units are replaced, the new component unit shall be capitalized separately, and the old component (subsequent to original construction) shall be removed from the property report. However, if the original component unit was included in the original construction, it shall not be removed since it was not a separately valued component. The new component unit shall be depreciated over the remaining useful life of the building.

b) Major Renovations or Alterations
Any major renovations or alterations within an existing building shall be added to the cost of the original building. These renovations/alterations shall be depreciated over the remaining life of the building/structure.

c)Construction in Progress
This includes all projects for buildings or land improvements construction that are not completed at the end of the fiscal year.

11.5 Machinery & Equipment

Expenditures for machinery, equipment or furnishings costing UGX 3,000,000/= or more per item and have an estimated life of more than one year shall be capitalized.

11.6 Computer Software

Purchased computer software costing more than UGX 5,000,000/= with a useful life beyond asingle reporting period (generally one-year) shall be capitalized.

11.7 Intangible Assets

a) Intangible assets are those that lack physical substance, are non-financial in nature and have an initial useful life extending beyond a single reporting period. Intangible assets shall be identifiable, meaning they are either capable of being separated by means of sale,transfer, license or rent, or they arise from contractual or other legal rights.

b) Intangible assets acquired or developed by the University could include licensed software,internally generated computer software and campus owned websites or portals. Other examples include patents, copyrights and trademarks, permits and licenses, and land use rights (e.g., water, timber or mineral rights).

c) The value of certain intangible assets, such as land use rights or easements, may already be included in the reported value of the associated real property asset. In these instances, although the individual rights associated with the property are separable and intangible in nature, collectively they represent the ownership of a tangible asset. Therefore, the value of the individual rights shall remain aggregated and reported as a tangible capital asset, not separately as an intangible asset.

d) Current policy requires purchased computer software costing greater than UGX 5,000,000/= to be capitalized by the campus. The additional recognition requirements for intangible assets apply to internally generated computer software. In this regard, the activities involved in creating (and/or significantly modifying commercially available) software need to be evaluated to determine if the internal costs meet the criteria for capitalization.

e) The software shall be acquired, internally developed, or modified solely to meet internal needs and there shall not be a substantive plan to market the software externally to otherorganizations. Software development generally involves three phases which are characterized as follows:

i. Preliminary project phase - when conceptual formulation of alternatives, the evaluationof alternatives, determination of existence of needed technologies and final selection ofalternatives is made.

ii. Application development phase - Design of chosen path including software configuration and software interfaces, coding, installation of computer hardware and testing, including parallel processing phase.

iii. Post-implementation/operation phase - training and application maintenance activities.

iv. Costs associated with the preliminary project and the post-implementation/operating phases shall be expensed as incurred.

v. Internal and external costs associated with the application development phase shall becapitalized.

vi. Costs to develop or obtain software that allows for access or conversion of old data bynew information systems shall also be capitalized.

vii. General and administrative costs and overhead expenditures associated with softwaredevelopment shall not be capitalized as costs of internal use software.

viii. Upgrades and enhancements are defined as modifications to existing internal-use software that result in the ability for the software to perform tasks that it was previously incapable of performing. In order for costs of specified updates and enhancements to internal-use computer software to be capitalized, it shall be probable that thoseexpenditures shall result in additional functionality, increased efficiency, or the extensionof the estimated useful life. If the modification does not result in any of these outcomes, the costs shall be considered routine maintenance and be expensed as incurred.

11.8 Library Books

i. Purchased library books shall be recorded at cost.
ii. Generally, library books acquired by contribution shall be recorded at fair market value.
iii. The University can provide a depreciation charge for capital assets, to include library books.
iv. The University shall establish a "layered" depreciation procedure for library books, where an annual layer for books/volumes purchased/donated shall be maintained. Although not maintained in the fixed asset accounting system, the useful life of library books, reference materials and information sources other than library books shall be 10 years.
v. As such, a 10 percent charge would be applied to gross / historical cost balance of eachlayer (year).
vi. When books are disposed of, no gain or loss would be recognized, even if cash were received.
vii. The disposal shall be recorded as a reduction of the gross library book value and the related accumulated depreciation balance.
viii. Additions in the current year shall be grouped by a layer and the total gross asset valuewould be depreciated over the established average useful life (10 years in this example).
ix. In the initial year of library book additions, the University shall take one-half year worth as a depreciation charge.

11.9 Artwork and Historical Treasures

a) Collections, works of art and historical treasures of significance that are owned by theUniversity shall be considered for capitalization.
b) Purchased works of art and historical treasures, whether they are held as individual items orin a collection, shall be recorded based on historical cost.
c) Gifts of these types are recorded using the fair market value at the date of donation.
d) To capitalize an art collection, the following conditions shall be met:

i. Held for public exhibition, education, or research in furtherance of public service, ratherthan financial gain
ii. Protected, kept unencumbered, cared for, and preserved
iii. Subject to an organizational policy that requires the proceeds from sales of collectionitems to be used to acquire other items for collections.

Inexhaustible collections, works of art and historical treasures where the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long are not depreciated. Because of their cultural, aesthetic, or historical value, these assets are protected and preserved in a manner greater than that for similar assets without such cultural,aesthetic, or historical value. Capitalized collections or individual items that are exhaustible, suchas exhibits whose useful lives are diminished by display or educational or research applications, shall be depreciated over their estimated useful lives. No depreciation shall be recorded for collections or individual items that are inexhaustible. All works of art and historical treasures acquired or donated shall be capitalized.

11.10 Work in Progress (WIP)

a) A WIP asset reflects the cost of construction work undertaken, but not yet completed.
b) For construction in progress assets, no depreciation is recorded until the asset is placed inservice.
c) When construction is completed, the asset shall be reclassified as building, buildingimprovement, land improvement, or equipment and shall be capitalized and depreciated.

11.11 Disposal/Retirement of assets

When capital assets are disposed of, the inventory of Capital Assets shall be relieved of the cost of the asset and the associated accumulated depreciation. Assets shallbe removed on an annual basis in conjunction with the annual update. The appropriate depreciation shall be taken for the year of disposal.

Accounting Entries for disposal

Dr. Accumulated Depreciation

Dr. Cash/Bank

Cr. Asset account

Cr. Gain on disposal

It there is a loss on disposal

Dr. Accumulated Depreciation

Dr. Cash/Bank

Cr. Loss on disposal

Cr. Asset Account

11.12 Depreciation policy

The "Reducing Balance" method of depreciation shall be utilized to depreciate capital assets, except for land.

Buildings

Permanent Buildings		50 to 80years
Building Additions	Remaining Useful Life	up to 80years
Building Improvements	Remaining Useful Life	up to 80years

Machinery & Equipment:

Mobile Classrooms	15 to 25 years
Vehicles (trucks, vans, tractors, forklifts, etc)	10 to 20 years
Kitchen Equipment	15 to 25 years
Computer Hardware	5 years
Outdoor Equipment	15 to 25 years
Miscellaneous Equipment	10 to 50 years
Buses	15 to 30 years
Land Improvements	20 to 80 years

Depreciation shall be calculated utilizing the "Half-Year convention." Under this convention, an asset is treated as though it were placed in service or disposed of the first day of the seventhmonth of the fiscal year. One-half of a full year's depreciation is allowed for the asset in its firstyear placed in service, regardless of when it was actually placed in service during that year.

Accounting entries

Dr. Depreciation Expense account

Cr. Accumulated Depreciation

11.13 Impairment

The University shall assess at the end of each reporting period whether there is any indicationthat assets have been impaired. If any such indication exists, the University shall estimate the recoverable amount of the asset.

An impaired asset is a condition in which an asset's market value falls below its carrying amount and is not expected to recover. This means that an asset's market valuation is less thanthe book value of the asset and the future cash flows to be generated from the asset are less than the net difference of the market value and the book value of the asset.
If an asset has been impaired, the value of the asset is written down in the books.

Accounting Entries

Dr. Loss account (which shall show up as an expense in the income statement)

Cr. Respective asset account

11.14 Repairs and Maintenance

All maintenance or repair of university facilities shall be accomplished under the management and direction of the Estates Manager. Repair works involve the reconstruction or renewal of any part of an existing facility for thepurpose of maintenance or restoration of its state. While Maintenance is work performed to a facility or the fixed systems and building serviceequipment therein, for the purpose of maintaining quality and functionality.

Accounting Entries

Dr. Repairs & Maintenance

Cr. Bank/Accounts Payable

11.15 Insurance of University Property

The University shall ensure comprehensive insurance of all its property against risks to protect them from loss. Property insurance shall cover accidental damage from causes including fire, windstorm, water from broken pipes, and other perils. Insurance covers building damage and their contents including furniture, laboratory equipment, computing equipment, books, supplies and similar property. Money, software and data are not covered items.

Scope

The insurance shall cover:

1. all buildings
2. all equipment, including computers
3. all motor vehicles
4. any equipment on loan or hire to or from the University

12.0 Motor Vehicles

This section presents policies and procedures that shall govern the purchase, operation and maintenance of university motor vehicles.

12.1 Purchase of new Vehicles

University automobiles, light trucks and vans shall be purchased in accordance with specifications developed by the Procurement and disposal Unit in conjunction with the Estates Department and approved by the Management of the University. The Procurement and Disposal Unitis the procuring authority. This policy shall be considered together with the fuel policy.

12.2 Disposal of Vehicles

Disposal of Vehicles shall be conducted by the Procurement and Disposal Unit

12.3 Replacement of Vehicle

Vehicles may be replaced if:

a) The vehicle accumulates at least 100,000 miles on or before the anticipated replacementdate;
b) The vehicle is at least 10 years old and Estates Department determines that it is appropriateto replace; or
c) Estates department determines that the repair expenses for a particular vehicle have exceededacceptable parameters.

12.4 Repairs and Maintenance of Vehicles

Approved vendors shall carry out Fleet Maintenance and Repair Services on terms agreed on mutually. These service providers shall be vented and approved by the Procurement and disposal Unit

12.5 Driver Responsibilities

a) Authorized drivers who are assigned vehicles, share responsibility for assuring that their assigned vehicles are properly maintained.

b) The University Utilities/Estates Officer shall discuss the maintenance requirements, procedures, and the driver's specific responsibilities for maintenance with authorized drivers assigned a vehicle.

c) Authorized drivers of pool vehicles are responsible for reporting observed mechanical problems to the University Utilities/Estates Officer.

12.6 Log book maintenance

All miles traveled shall be recorded in the Vehicle Mileage Log Book

12.7 Documents

These shall include;

- Vehicle Mileage Log book
- Service record book

13.0 Fuel for Cars

Fuel shall be issued to only University Vehicles and fuel usage is within the budget and used forthe work of the University.

13.1 Objectives of the Fuel Policy

a) To establish a management structure to monitor and supervise efficiently the procurementand distribution of fuel at UMU.
b) To ensure proper documentation and accountability for fuel at the University.
c) To determine procedures and eligibility for obtaining/accessing university fuel.

13.2 Management of Fuel

The office of the Deputy Vice Chancellor shall over see on behalf ofUMU the management of fuel use at the University through relevant line offices.

13.3 Procurement of Fuel

a) All fuel for generators and vehicles shall be requisitioned by the Estates Manager.
b) The Office of the Chief Finance Officer and the Deputy Vice Chancellor shall approve all requisitions before they are submitted to the Expenditure Section for payment.
c) Fuel will then be loaded onto the Fuel cards which will be managed by the Estates Manager.
d) Consideration shall be made to buy directly from the depot and not substations to avoid manipulation.
e) Fuel for private vehicles shall be requisitioned by the end user through the Estates Managerwho shall justify the need for private vehicle use through the Deputy Vice Chancellor and Senior Finance Officer – Payables.
f) Fuel shall not be swapped with vehicle hire unless permission has been sought from the Deputy Vice Chancellor.

13.4 Fuel Handling

a) The consumption of fuel for generators and vehicles shall be pre-determined in terms of hours and mileage respectively by the office of the Estates Manager before any release of fuel is affected.
b) The requisitioning of all fuel for generators shall be based on hourly consumption of the generator pre-determined in (c) above.
c) The requisitioning of all fuel for vehicles shall be based on consumption per liter for thedistance to be covered for any vehicle pre-determined in (c) above
d) All vehicles shall have logbook and drivers shall be required to record the mileage before every departure.
e) All generators shall have a logbook and the Estates Manager shall be required to record thehours before refilling the generators.
f) Before departure, the Estates Manager shall issue a gate pass to all vehicles moving out onuniversity activities.

13.5 Accountability for Fuel

a) Weekly reports on the use of fuel shall be submitted to the DVC by the Estates Manager.
b) All money advanced for the purchase of fuel shall be accounted for before the next requisitionfor fuel is approved.
c) The Internal Auditor shall regularly carry out an independent audit on the use of fuel at theUniversity.
d) The Estates Manager shall monitor the consumption of fuel for vehicles and generators and report their findings to the DVC.

13.6 Generator Fuel

a) Cash Purchase

i. A purchase requisition shall be raised by the user department.
ii. The requisition is approved by the Senior Finance Officer Payables.
iii. After approval, the requisition is forwarded to the Expenditure Accountant for payment

iv. The Chief Finance Officer approves the requisition for payment after verifying theaccountability of prior funds advanced.

v. Funds are advanced to the procurement officer who shall be responsible for the purchase ofthe fuel as accountable advance

vi. The fuel is delivered to the stores department

vii. A Goods Received Note shall be raised after verification of the delivery

viii. The user department shall request for fuel from stores by raising an Internal Requisition formapproved by the Estates Officer.

ix. Once the batch has been exhausted a new requisition is raised of which accountability shallbe attached for the prior funds.

x. Procurement of fuel can be carried out only during working days Monday to Friday.

b) Credit Purchases

i. A purchase requisition shall be raised by the user department.

ii. The requisition is approved by the Senior Finance Officer Payables.

iii. After approval by the Senior Finance Officer Payables the requisition is forwarded to the Chief Finance Officer for approval.

iv. After approval by the Senior Finance Officer and Chief Finance Officer a Local Purchase Order (LPO)is raised by the Purchasing Officer.

v. A copy of the LPO is given to stores and the Estates Manager.

vi. The Warden shall issue a Fuel requisition form to the User/Procurement Officer who shalluse it to obtain fuel from the supplier.

vii. The fuel is delivered to the stores department

viii. A Goods Received Note shall be raised after verification of the delivery

ix. The user department shall request for fuel from stores by raising an Internal Requisition form approved by the Estates Manager.

x. Once the batch has been exhausted a new requisition is raised of which accountability shallbe attached for the prior funds.

xi. The supplier shall raise an invoice at the end of each week for payment or once the maximum quantity that can be supplied on credit as per agreement between the supplier and University has been exhausted.

xii. The Invoice and supporting documents shall be verified and approved by the Estates Manager and Deputy Vice Chancellor.

xiii. The Invoice shall be paid in a period of two weeks

xiv. Procurement of fuel can be carried out only during working days Monday to Friday

13.7 Vehicle Fuel

a) A user shall raise an internal requisition form that is approved by the Head of Department/Dean of the Faculty

b) The requisition shall be approved by the Senior Finance Officer Payables.

c) A fuel register shall be maintained by the Estates Manager.

d) All requisitions approved shall be recorded in the fuel register

e) The requisition shall be forwarded to the Warden who shall raise a fuel requisition form.

f) The fuel requisition form is taken to the supplier for issuance of fuel

g) The invoice obtained from the supplier is sent to finance for payment if it is a cash purchase

h) For cash payments funds advanced are treated as accountable advance

i) The supplier shall raise an Invoice at the end of each week for payment or once the maximumquantity that can be supplied on credit as per agreement between the supplier and University has been exhausted.

j) That Invoice shall be verified against the duplicate fuel requisition form with the Estates Department

k) After verification, payment shall be effected within a period of two weeks.

14.0 Taxes

It is the policy of the university to comply with all obligations for tax and information returns filed with statutory bodies.

14.1 Pay As You Earn (PAYE)

Pay as You Earn is a method of collecting income tax payable by resident persons. It is awithholding system of recovering income tax payable by resident persons that is managed by employing agencies. The laws governing this system of collecting tax are spelt out in the Income Tax Act 1987 Cap 340.

14.2 Provisions spelling out the responsibility of paying income tax

As per the Income Tax Act 1987

"….. a tax to be known as income tax shall be charged for each year of income and is hereby imposed on every person who has chargeable income for the year of income"

"…..the income tax payable by a taxpayer for a year of income is calculated by applying the relevant rates of tax determined under the Act to the chargeable income of the taxpayer.."

Provisions defining a resident Person

The person liable to pay income tax is a resident person and the act defines a resident person in the year of income if that individual –

1. has a permanent home in Uganda;
2. is present in Uganda –
   i. for a period of, or periods amounting in aggregate to, 183 days or more in any twelve-month period that commences or ends during the year of income;
   ii. during the year of income and in each of the two preceding years of income for periodsaveraging more than 122 days in each such year of income; or
3. is an employee or official of the Government of Uganda posted abroad during the year of income.

14.3 Employment Income

Employment income means any income derived by an employee from any employment andincludes the following amounts, whether of a revenue or capital nature:

i. any wages, salary, leave pay, payment in lieu of leave, overtime pay, fees, commission,, bonus, or the amount of any travelling, entertainment, utilities, cost of living, housing, medical, or other allowance;
ii. the value of any benefit granted;
iii. the amount of any discharge or reimbursement by an employer of expenditure incurred byan employee, other than expenditure incurred by an employee on behalf of the employer which serves the proper business purposes of the employer;
iv. any amount derived as compensation for the termination of any contract of employment,whether or not provision is made in the contract for the payment of such compensation, or any amount derived which is in commutation of amounts due under any contract of employment;
v. any amount paid by a tax-exempt employer as a premium for insurance on the life of the employee and which insurance is for the benefit of the employee or any of his or her dependents;
vi. any amount derived as consideration for the employee's agreement to any conditions of employment or to any changes in his or her conditions of employment;
vii. the amount by which the value of shares issued to an employee under an employee shareacquisition scheme at the date of issue exceeds the consideration, if any, given by the employee for the shares including any amount given as consideration for the grant of a right or option to acquire the shares;
viii. The amount of any gain derived by an employee on disposal of a right or option to acquire shares under an employee share acquisition scheme.

14.4 Administration of PAYE

a) PAYE shall be recovered for all university employees' salaries at the time of preparation ofthe payroll.

b) The Expenditure Accountant shall be responsible for the filing of PAYE return as per the Income tax Act which requires that returns are filled by the 15th day of the following month.

c) The Chief Finance Officer shall ensure the tax deducted from employees is remitted to the government collecting agency as stipulated in the income tax by the 15th Day of thefollowing month.

Detailed information on the authority and administration of tax payable by employees shall beobtained from the Income Tax Act 1987 Cap 340.

14.5 National Social Security Fund (NSSF)

The National Social Security Fund is a pension scheme set up by the government and requiresthat employees and employers make regular monthly contributions towards the fund.

14.5.1 Eligible persons

The NSSF act Cap 222 requires all eligible person to contribute to the fund and it defines an eligible person as ″ Any employee of or above the age of sixteen and below the age of fifty- five years…″

14.5.2 Mandate

The NSSF act requires that every contributing employer shall, for every month during which he or she pays wages to an eligible employee, pay to the fund, within fifteen days next following the last day of the month for which the relevant wages are paid, a standard contribution of 15 percent calculated on the total wages paid during that month to that employee.

14.5.3 Administration of NSSF

a) NSSF contributions shall be recovered for all university employees' salaries at the time ofpreparation of the payroll.

b) The Management Accountant shall be responsible for the filing of NSSF return as per the NSSF Act which requires that returns are filled by the 15th Day of the following month.

c) The Chief Finance Officer shall ensure the tax deducted from employees is remitted tothe government collecting agency as stipulated in the NSSF act by the 15th Day of the following month.

Detailed information on the authority and administration of tax payable by employees shall beobtained from the NSSF Act Cap 222.

14.6 Local Service Tax

All Ugandans in gainful employment, the self-employed and practicing professionals, businesspersons and commercial farmers producing on large scale shall be subject to local service tax as per the Local Government Act Cap 243.

15.0 Financial Reporting

The University's management is responsible for establishing and maintaining a system of internal control designed to ensure that all transactions related to the University's operations are properly initiated, approved, and reported and to ensure that adequate accounting data are compiled toallow for the preparation of annual financial statements in conformity with International Financial Reporting standards and applicable laws, rules, and regulations.

15.1 Annual Financial Reports

Uganda Martyrs University's financial accounting policies and procedures follow the International Financial Reporting Standards.

15.2 Financial Reporting Policies

a) Accounting Period

The University's fiscal year ends on 30th June Within 3 months after the end of the financial year, the Deputy Vice Chancellor Finance & Administration shall submit to Management, Finance Committee and University Council financial statement for approval and signature.

b) Historical Cost Convention

The financial statements are prepared under the historical cost convention, as modified by therevaluation of available-for-sale financial assets, financial assets and liabilities at fair value through the income statement and certain classes of property, plant and equipment.

c)Accrual Basis of Accounting

The financial statements of the University are prepared using the accrual basis of accounting,except for cash flow information.

d) Fair Presentation

The financial statements of the University shall present fairly the financial position, financialperformance and cash flows of an entity. Fair presentation requires the faithful representationof the effects of transactions, other events and conditions in accordance with the definitionsand recognition criteria of assets, liabilities, income and expenses as set out in the IFRS.

15.3 Elements of financial Statements

Four basic financial statements shall comprise a set of financial statements which include:

a) Statement of Financial Position: also referred to as a balance sheet which reports on acompany's assets, liabilities, and ownership equity at a given point in time.
b) Statement of Comprehensive Income: also referred to as Profit and Loss statement (or a "P&L"), which reports on a company's income, expenses, and profits over a period of time.A Profit & Loss statement provides information on the operation of the enterprise. These include sale and the various expenses incurred during the processing state.
c) Statement of Changes in Equity: which explains the changes of the company's equity throughout the reporting period
d) Statement of cash flows: which reports on a company's cash flow activities, particularly itsoperating, investing and financing activities.

15.4 Management Accounts

1. The monthly management accounts shall be prepared in the prescribed formats such as the accounting system formats defined in the Chart of Accounts.
2. At the completion of each quarter the Chief Finance Officer shall prepare and submit to Management Committee the following:

i. Monthly Trial Balances
ii. Statement of revenue collected
iii. Statement of arrears of revenue
iv. Statement of outstanding commitments(creditors)

15.5 Financial reporting for Research Grants/gifts

Guidelines for accounting for research grants/gift include:

a) A research project shall be considered as an accounting entity with a self-balancing set ofaccounts consisting of assets, liabilities, and a fund balance.

b) Separate accounts are maintained for each grant to ensure observance of limitations andrestrictions placed on the use of the resources

c) The Management Accountant shall facilitate the organizing and managing accounting transactions by ensuring that resources for various purposes can be classified for financial accounting and reporting purposes in accordance with activities or objectives as specified by donors, with regulations, restrictions, or limitations imposed by sources outside the University. This shall be done by creating a project chart of accounts.

d) The Management Accountant is entrusted with ensuring that all budget, revenue, andexpense transactions for restricted accounts are properly recorded.

15.6 Role of the Project Officer

i. The project Officer shall have the right to access and inspect the records and financial procedures associated with research grants.

ii. The Project officer shall ensure effective administration of research funding, in compliance with all administrative, financial management, and regulatory requirements stipulated in the contract agreements.

iii. The project officer shall provide a monitoring and evaluation role by:

  - Compiling work plans of the various projects
  - Compiling budgets of the various research projects
  - Obtaining quarterly management reports from the accounts department and reconcilingthem to the research project
  - Reconcile the work plans, budgets and management reports of research projectsregularly

- Ensure that all projects meet all the financial reporting requirements spelt out in thecontracts and the University financial policies.

16.0 Budget Preparation and Monitoring

The Budget process integrates institutional planning activities and aligns resources with institutional priorities. The budget shall enable the systematic allocation of financial, physical, and human resources to achieve strategic goals. Budgets provide a framework of monitoring progress towards achievement of university goals, help control spending, and predict cash flowand profit.

16.1 General Budgeting Policies

a) Budget Preparation Responsibilities

Each Department/Faculty is responsible for preparing their draft budgets; these shall be reviewedand revised as necessary by the Head of Departments.

b) Budget Preparation Process

The budget shall be prepared and approved in accordance with the budget instructions issued by the Senior Finance Officer Payables.

c)Items to be included in the Budget

The budget shall include the anticipated revenue from all sources, and all sums required to meet the anticipated expenditure during the year to which the budget relates. It shall be constructed to show as accurately as possible the amount expected which shall actually be required to maintain the services of the Department/Faculty and which shall actually be receivable during the year.

d) **Format of the Budget**

The budget shall be prepared in the prescribed format, and shall include:-

i. Estimates for each department showing: department name and code, detail description and code of items budgeted for, current year approved budget and budget for followingyear.

ii. Detailed working papers substantiating all items included in the budget

e) The purpose of the Budgeting system

The budgeting system is important as it:

i. Develops realistic financial plans that shall facilitate allocation of resources according to university priorities
ii. Provides a control tool to ensure that spending is in line with time plans and budgetamounts
iii. Provides periodic variance reports of actual and budget amounts to form a basis forinvestigation and necessary decision making
iv. Can be used to compare and monitor cumulative expenditure by account code to theoriginal budget allocation
v. Effectively supports the improvement of the annual comprehensive University plan and itsperiodic review.

16.2 Steps of Developing a Budget

a) Establish goals/priorities

Goals define the desired outcome or end result and are typically general in nature. Management selects goals from the strategic planfor implementation and these are sent to all faculties and departments.

b) Establish Objectives

Objectives represent the specific results desired within a fixed period of time. They shall specifywhat is to be accomplished, for whom, and by what date. In terms of the budget, an objectiverepresents a targeted achievement for the forthcoming year. Each objective has one or more performance measures.

Objectives shall reflect planned achievements in service quality or service level; thus, key words used in stating objectives include increase, reduce, expand, complete, prevent, maintain. Goals and quantifiable objectives can be developed for the activities of individual Departments/Faculties as well as for the entire University. Management committee shall identify the goals as above.

c)Budget Calendar

The budget calendar establishes the process and schedule the Utility shall follow in developingthe budget. The calendar prepares and enacts the budget in a timely way. At a minimum, the calendar shall indicate the dates when:

i. budget worksheets, instructions, and guidelines can be distributed to departments;
ii. revenue estimates shall be prepared;
iii. budget requests can be compiled and summarized into a single budget document;
iv. The Finance Committee of the University Council shall review budget requests and makeappropriate adjustments to budget proposals; and
v. The University Council shall adopt the budget.

d)Framework of Budget Preparation

Major administrative roles in the budget preparation process shall include:

i. Preparing budget proposals for consideration by the University Council
ii. Explaining current fiscal conditions, fiscal prospects, and budgetary proposals to TheUniversity Council
iii. Implementing the budget enacted by the University Council and monitoring performanceto ensure that fiscal policies are followed.

e) Budgeting Coordination and supervision

The Senior Finance Officer Payables coordinates the entire budgeting process under the general supervision of the Chief Finance Officer. His/her role shall be;

1. perform a significant policy guidance function and become involved in all the financial issues relating to the budget. The Officer shall coordinate all materials, and also assume analytical and guidance functions, such as:

a) Issuing guidelines to Department officials regarding the acceptable level of increase ordecrease and expected cost limitations;
b) Evaluating Departments requests and adjusting them to policy guidelines;
c) Balancing expenditure requests with available revenues; and
d) Making recommendations for budget action to the Vice Chancellor through the Chief Finance Officer.

2. The Chief Finance Officer shall directly supervise budget implementation by:
   a) Ensuring that Department/Faculties do not exceed budget limits by conducting periodicprojections of expenditures and comparing them to available resources;
   b) Reviewing and approving all requests to transfer funds from one budget to another;
   c) Reviewing reports prepared by the Senior Finance Officer Payables on budgetary performance and presenting them to the University Council, or Finance committee of council
   d) Closely monitoring Budget performance to determine potential problems.

f) Distribution of Forms for use in Budget Preparation

The Senior Finance Officer Payables shall distribute budget preparation formats and instructions to University Faculties/Departments.

The Heads of Departments or Deans shall initiate budget proposals for consideration

g) Preparation of the Budget Document

The budget document is the final product of the process.
The budget shall accurately reflectthe results of this process. The budget shall serve as the official action plan for managers and staffcharged with carrying out University functions and programs. In addition, the Budget shall be in synch with the Universities policies and priorities.

The Chief Finance Officer shall format and print the budget document in a way that facilitates understanding and enhances the understanding of the budget for all stakeholders.

h) Review the Budget Requests

Management shall present the Budget proposal to the Finance Committee of Council which in turn shall present it to the University Council for consideration and approval. The University Council, shall review the budget proposal and ensure that it is consistent with the Strategic Plan and other pertinent aspects of the university.

i)Adopt the Budget

Following the review, the University Council shall approve and adopt the Budget proposals for the University's use in executing the various mandates under it.

j) Execute and Monitor the Budget

The main purposes of budget execution are to make the appropriations authorized in the adoptedbudget and to monitor spending.

1. The goals of budget execution are to:
   - provide for an orderly approach to achieve budgetary goals and objectives;
   - ensure that funds are expended only on approved activities
   - Have adequate stewardship over entrusted financial resources.
2. Responsibility for budget execution rests with University's Departments which

shall account for the expenditures and program outputs.

3. Responsibility for monitoring shall rest with the Senior Finance Officer Payables, Chief Finance Officer, DeputyVice chancellor and the vice Chancellor.
4. The role of the budget department/finance department is to identify actual problems withbudget compliance and informs the implementing centre(s).
5. The role of the implementing centres is to resolve the identified problems and to providefeedback to the budget department.
6. The budget department shall then provide technical assistance and support, so that theimplementing centre(s) can take corrective action.

k) Key Budgeting Points to Note

Budget execution shall aim at compliance with the initial budget. It shall also adapt to intervening changes, and promote operational efficiency. Budget execution shall ensure that there is a procedure for controls. The controls shall focus on what is essential while giving flexibility to spending agencies in implementing their programs.

l)Expenditure control

The budget system shall assure effective expenditure control by identifying measures to contain permanent commitments (such as entitlements, wages). Budget implementation system shall have

1. A complete budgetary/appropriation accounting system which. is needed to track transactionsat each stage of the expenditure cycle (commitment, verification, payment) and movements between appropriations or budget items (apportionment, supplementary estimates).
2. Effective controls at each stage of the expenditure cycle.
3. A system for managing multi-year contracts and forward commitments.
4. Adequate and transparent procedures for competitive procurement and
5. Systems for managing procurement and contracting out.

m) Enforcing priorities stated in the budget

1. Budget implementation and cash plans/cash flows shall be prepared, but they shall bebased on budget estimates and take into account existing commitments
2. Supplementary estimates shall be strictly regulated and their amounts limited.
3. Changes between programs shall not alter priorities stated in the budget.

n) Efficient budget implementation

1. Budget funds shall be released on time.
2. Rules for changes shall allow both flexibility and control over the major items.
3. Carry-over appropriations shall be authorized, for all expenditures, but the procedure shall be regulated.
4. There shall be clearly defined procedures for recording transactions (notably for commitments);

o) Priorities for expenditures

Management from time to time may provide a list of priority expenditures that shall be considered during periods of funding shortages. This list shall be approved by the Finance committee andUniversity Council.

17.0 Retention of Records

Governing the care and management of university records shall be done in accordance with the university policies as stipulated below.

The purpose of the Policy shall be to enable the university to legally retain and dispose of records, and guide the user to those records that shall be retained permanently. This policy shall aim to:

a) Provide a common guideline for common records, thereby eliminating the necessity for each department to prepare its own guidelines of records and providing consistency in disposaldecisions.
b) Reduce the volume of records held in office thereby achieving economies in space, equipment and staff.
c) Ensure that records of no further value to the university are destroyed.
d) Ensure that records of archival value are transferred to the Archives.

17.1 Application of this policy

This policy is a governing policy and an institutional operating policy and shall apply to all University staff, contractors and consultants, all aspects of the University's operations, all records createdor received in any medium to support business activities and all business applications used to create records.

17.2 University Records Definition

"For the purposes of this definition, records shall mean recorded information, regardless of physical form. University records shall include all forms of recorded information regardless of physical characteristics, created, received, recorded, or legally filed in the course of university business or in pursuance of the University's legal obligations.

These records shall serve as evidenceof the University's organization, functions, policies, decisions, procedures, operations, or other activities and shall be subject to records management review and evaluation prior to any decision regarding reformatting or disposal.

University records shall include but are not limited to minutes; correspondence; memoranda; financial records, such as invoices, journals, ledgers, purchase orders, and other information pertaining to fiscal matters, including grant fiscal matters; published materials, including reports and newsletters; moving images and photographs; sound recordings; drawings and maps; annotated copies or books; and computer data or other machine-readable electronic records, including electronic mail. Records created or received by faculty in administrative and University committee capacities are also considered to be University records.

17.3 Ownership

All records, irrespective of format, (i.e. both textual and electronic, including emails) created or received by university officers or employees in the course of their duties on behalf of the University are the property of the University and subject to its overall control. Employees leaving Uganda Martyrs University or changing positions within the University shall be required to leave allrecords for their successors.

17.4 Management of Records

All records created by university officers or employees in the course of their duties on behalfof the University shall be retained for as long as they are required to meet the legal, administrative,financial and operational requirements of the University, after which time they are either destroyedor transferred to the University Archives. The final disposition (either destruction or transfer to the Archives) of records shall be carried out according to approved records disposal schedule.While the records disposal schedules (***refer to table 1)***

17.5 Disposal Schedule

This means any schedule of record categories approved by the University Management setting out the length of time records shall be retained by the University before disposal action is taken.

17.6 Records Disposal procedures

1) Records due for destruction shall be identified. This may be done with reference to records retention schedules and disposal authorities, or by gathering together records discarded bystaff members in the course of conduct of activity, and which require secure destruction.
2) While awaiting disposal, records shall continue to be stored securely. A central point within an office may be allocated for the storage of such records or the staff members whocreated and received them may retain them in their own offices.
3) It is imperative that records awaiting disposal are not confused with current files. It is advisable to use a dedicated room for thestorage of such records, and also that any in-house shredder is located there.
4) Records disposal shall be carried out on a fairly regular basis. Frequency shall be decided with reference to the number of records, but shall occur at least once every seven years.
5) Preparation of the list may be undertaken in one of the following ways:
   - One staff member may be responsible for the disposal of records and list all records or,
   - Responsibility for disposal may be shared by staff members on a rota basis.
6) It is recommended that responsibility for preparation of such a list is allocated on a sharedbasis. Knowledge about which records are proposed for destruction shall be shared amongstaff members. While some records on a proposal list may not mean anything to one member of staff, another person might require them to be retained.
7) Once prepared, the list of records proposed for disposal shall be submitted to the Registrar who is responsible for overseeing records destruction. It is the responsibility of the Registrar to submit the list for consideration.
8) The Registrar shall indicate which, if any, of the listed records may be destroyed, and sign and date the form. No destruction of records may occur until this step has been completed.

17.7 Electronic records

Electronic records shall be moved to new computer systems ('migrated') periodically so that they remain accessible.

The users or generators of financial information need to determine their own requirements. ITsystems programmers shall be primarily concerned with developing systems that can facilitate the storage of financial data/information. The objective of managing electronic records is to ensure that financial records maintained:

a. Are secured in a consistent and structured manner
b. support the audit function and external accountability of the organisation
c. enable the University meet its legislated financial obligations
d. protect the integrity and accuracy of the record to guarantee the organisation a reliablesource of financial information
e. provide ready access and retrieval of financial information
f. ensure timely disposal of financial records without compromising their integrity and utilityas an information resource.

There shall be a weekly back up of financial data and the backups shall be secured in an offsite facility.

17.8 Records Disposal Schedule

Accounting records shall include all standard accounting forms as well as other accounting media which provide supporting data for the general accounting records. Accounting records shall be principal accounting records and supporting documentation related to managing the organization's revenue and expenditure.

Table 1

Type of Record	Examples	Period
Special accountingrecords	Books of prime entry, General Ledgers	Three years
Budgeting and Fiscal PlanningRecords	Budget estimates, Physical and building inventory, Valuation reports, fixed assets register	Three years
Payroll accountingrecords	Appointments, Dismissals, Terminations and resignations, Leave without pay, Interdictions, Promotions/demotions, Transfers, Salary reviews resulting from increases/decreases, Permanent allowances and other benefits (training allowances,special allowances), Staff deductions such as loans, Timesheets and overtime summaries, Any other authorized changes which shall affect the monthly pay calculations letters, Dismissal letters, resignationletters,	Three years
Annual FinancialReports	Audited Financial Reports, Management letters whichinclude: Balance sheets, Income statements, Cash flow statements	Three years
Bank accounts records relating toestablishment and management of bank accounts	Extracts of Minutes of council, letters appointing banking agents, letters to banks requesting for the opening of bank accounts, letters to banks appointing or changing signatories to bank accounts	Three years
Other Bankingrecords	Bank statements, bank reconciliation statements, deposit records- deposit slips, investment and dividend statements, Cheque registers, cheque book counter foils, cancelled cheques, stale cheques	Three years
Chart of Accounts		Seven years
Fraud relateddocuments	Records documenting the identification of instancesof fraud	Three years
Fundraisingdocuments	Records documenting the receipt and disbursement of money received through fundraising activities	Three years
Grant funding administered by the University	Records related to grants, projects being administered by the University which include: contracts, proposals, agreements, research reports, acknowledgements and transfer of funds records, copies of periodic reports, correspondence and memoranda	Three years

Type of Record	Examples	Period
Invoices		Three years
Journals		Three years
Ledgers		Three years
Receipts		Three years
Vouchers		Three years
Loans relateddocuments	Loan agreements, repayment records, interest rate agreements	Seven years
Taxation relateddocuments	NSSF schedules, PAYE schedules, Local service taxschedules,	Seven years
Finance committeeFiles	Include; minutes and other relevant documents	Three years

18.0 Audit

This section defines the audit framework for the University within which the internal and external auditors operate.

18.1 Internal Audit

18.1.1 Purpose and definition

The Office of Internal Audit provides independent, objective assurance and auditing, and investigative services designed to add value, improve internal controls and strengthen the University's operations. Internal Audit helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and compliance processes. The "independence" of Internal Audit means that its activities are conducted in a manner free from conditions that threaten its ability to carry out itsresponsibilities in an unbiased manner.

18.1.2 Role of Internal Audit

The primary role of the Office of Internal Audit is to assist the University Council and Management in the effective discharge of their responsibilities. Its responsibilities and oversight shall be defined by the Audit Committee of the Council. The activities of the Office of InternalAudit assist the University in the assessment and improvement of the effectiveness of the internal control framework, risk management and compliance processes.

18.1.3 Professional standards

The University is committed to the professional practice of internal auditing. The Office of Internal Audit's responsibilities shall be performed in accordance with the Institute of Internal Auditors'International Standards for the Professional Practice of Internal Auditing and Code of Ethics.

18.1.4 Authority and independence

The Office of Internal Audit is authorized to direct a broad, comprehensive program of internalauditing within the organization. The Office of Internal Audit shall have full, free and unrestricted access to the University's records, physical properties, personnel, independent auditors and other individuals relevant to an area under review. The Head of Department of Internal Audit department reports administratively to the Vice Chancellor and functionally to the Chair of theAudit Committee.

Internal Audit's objectivity and independence depends largely on having no responsibility for orauthority over any of the activities or operations subject to its review. Further, the internal auditreview and appraisal does not relieve other personnel in the organization of the responsibilitiesassigned to them.

Internal auditors shall not perform any operational duties, develop and install systems and procedures, initiate or approve accounting transactions, prepare records, or engage in any other activity which they would normally review and appraise and which could reasonably be construed to compromise in appearance or fact, the independence and/or objectivity of the internal auditor.

18.1.5 Scope of work and responsibilities

The scope of work of internal audit is to determine whether the University's network of risk management, control, and compliance processes, as designed and presented by management, is adequate and functioning.

The Office of Internal Audit has a responsibility to:

a. Develop and execute a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by Management, the independent audit firm, or the Audit Committee, and submit that plan as well as periodic updates to the Audit Committee for review and approval.
b. Implement, as appropriate, any special tasks or projects requested by Management and/or the Committee that are consistent with the department's mission and

independence.

c. Perform advisory services, beyond internal auditing assurance services, to assist Management in meeting its objectives such as facilitation, process design, and training.
d. Assist the Vice Chancellor in the investigation of significant suspected fraudulent activities within the organization and notify management and the Audit Committee of the results.
e. Communicate results of internal audits and recommendations for improvement to the AuditCommittee and the most senior management responsible for implementing corrective action. Obtain written management responses to corrective action planned or taken within a specified time from the issuance of the audit reports. Evaluate and monitor the dispositionof the proposed actions and their expected effectiveness. Instances of residual risk that may be unacceptable to the University shall be discussed with Management and, if unresolved, reported to the Audit Committee.
f. Issue periodic reports to the Audit Committee and management summarizing results of audit activities.
g. Issue all audit reports to the Audit Committee Chair.
h. The internal audit department shall also regularly provide copies of activity reports tomanagement and ensure that Management is informed of the internal audit department's activities.
i. The budget and staffing levels shall be determined as part of the University's annual business planning and budgeting process. The head of the Internal Audit Department shall report tothe Committee on a regular basis regarding the adequacy of the department's staff and budget, and any adjustments that may be made to the audit plan or budget as appropriateduring the course of the year.
j. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.

k. Use outside services, where appropriate, to obtain specific expertise which is not availableinternally to meet the requirements of this charter.
l. Coordinate with the external auditors, as appropriate, for the purpose of providing optimalaudit coverage to the organization at a reasonable overall cost.
m. Coordinate with other control and monitoring functions within the organization.
n. Keep the Audit Committee informed of emerging trends and successful practices in internalauditing. Provide a list of significant measurement goals and results to the Audit Committee.
o. Review the organization's internal audit charter annually with Management and the Audit Committee.

18.2 External Audit

The University Charter and statutes requires that the Management of the University shall arrange to provide for external audit.

18.2.1 Appointment

The appointment of external auditors shall take place annually and is the responsibility of the Council as advised by the Audit Committee.

18.2.2 Role of External Audit

The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. External auditors shall have authority to:

- Access the University's premises at reasonable times;
- Access all assets, records, documents and correspondence relating to any financial and
- other transactions of the University;
- Require and receive such explanations as are necessary concerning any matter under

- examination;
- Require any employee of the University to account for cash, stores or any other University
- property under his or her control;
- Access records belonging to third parties, such as contractors, when required.

Most Rev. Raphael p'Mony Wokorach, MCCJ
Chaiperson, UMU Council

Rev. Dr. Josef Buchana Kisoga
Secretary, UMU Council

Appendices

Appendix I

UGANDA MARTYRS UKIVERSITY

GENERAL RECEIPT

No: .... Date: ....

Received From:

Name: ....

Course: ....Registration No: ....

The Sum of Shillings: ....

....

Being payment of:

....

....

....

Shs.

Cash / Cheque No: ....

Received By Signature ....

Appendix II

UGANDA MARTYRS UNIVERSITY

CHEQUE PAYMENT VOUCHER

Voucher No:	Date:
Requisition No:	Cheque No:

Name of Payee:
………

Responsibility Centre:
……………………………………………………………………………………………………

Project:
………

Centre:
……

EXPENSE DESCRIPTION	ACCOUNT CODE	AMOUNT SHS	RATE	TOTAL AMOUNT
TOTAL				

Amount in Words:
……

Prepared by: ……………………………………… Checked by: ………………………………

Approved by: ……………………………………… Date: ……………………………………

Received by: ……………………………………… Date: ……………………………………

Appendix

UGANDA MARTYRS UNIVERSITY

PETTY CASH PAYMENT VOUCHER

Voucher No:	Date:
Requisition No:	

Name of Payee: ....

Responsibility Centre: ....

Project: ....

Centre: ....

Expense Description	Account Code	Amount Shs	Rate	Total Amount
TOTAL				

Amount in Words: ....

Prepared by: ....Checked by: ....

Approved by: ....Date: ....

Received by: ....Date: ....

Appendi
x

UGANDA MARTYRS UNIVERSITY
REQUISITION FORM

Date.............................

Name of Payee: ....

Responsibility Centre: ....

Project: ....

Centre...
....

Units	Expense Description	Account Code	Rate	Total Amount
	Total			

Amount in Words: ....

Description of reason for the claim...

Requisitioned by: ....Date: ....

Authorised by: ....Date: ....

Approved by: ....Date: ....

Append

i

x

V

UGANDA MARTYRS UNIVERSITY

STAFF CLEARANCE FORM

Date: ....

Name: ....

Employment No. ....

Department: ....

Last working day: ....

Cleared with: ....

Remarks

1. Head of department: ....
2. Estates office: ....
3. Finance department: ....
4. Director Human Resources: ....

Please pay the dues to: ....

He/ She has cleared with all the relevant departments.

....

Director Human Resources

Appendi

x

V

I

UGANDA MARTYRS UNIVERSITY

SALARY ADVANCE REQUISITION

Name: ....

Designation: ....

Department: ....

Section: ....

Probation / Permanent / Contract (Tick where

appropriate)Gross monthly salary:

....

When last advance was received: ....

Amount still outstanding: ....

Amount applied for: ....

Purpose of advance: ....

Duration: ....

Mode of repayment: ....

Rate per month: ....

Sign: .... Date:...................................

For official use only

Recommended Not Recommended

Amount: ....

Date of repayment: ....

Duration: ....

Appendix VII

UGANDA MARTYRS UNIVERSITY PAY SLIP

Name: ....

Date: ....Month: ....

Cheque: ....Department: ....

Details

Basic Salary: ....

Allowances (specify): ....

Gross Pay: ....

Deductions (specify): ....

Net Pay: ....

Prepared by: ....

Approved by: ....Date: ....

Received by: ....Date: ....

Appendix VIII

UGANDA MARTYRS UNIVERSITY

PURCHASE REQUISITION

Date: .... No. (Pre-numbered)

Department: ....

Allocation: ....

DESCRIPTION	STOCK CODE	QUANTITY	RATE	VALUE

Requisitioned by: ....Date: ....

Approved by: ....Date: ....

Store Manager's signature: .... Date: ....

Appendix IX

UGANDA MARTYRS UNIVERSITY

Local Purchase Order (LPO)

Serial NO: ………………………………………………

Date: ………………………………………………….

Supplier: ………

Address: ………

Qty	Description

Approved by: …………………………………………

Date: ………………………………………………….

Append

i

x

X

UGANDA MARTYRS UNIVERSITY

GOODS RECEIVED NOTE

Supplier: ....

GRN No. (Pre-numbered):......................

Date: ....

DESCRIPTION	ORDER NO.	QUANTITY	RATE SHS.	VALUE

Delivered by: ....Date: ....

Received by: ....Date: ....

Delivery Note No: ....Invoice No: ....

Receipt No: ....

Goods inspection Comments: ....

Appendix XI

UGANDA MARTYRS UNIVERSITY

GOODS ISSUED NOTE

(Pre-numbered)

Department / Section: .... GIN No: ....

Date: ....

DESCRIPTION	STORES REF. NO.	QUANTITY	RATE SHS.	VALUE SHS.

Issued by: .... Date: ....

Received by: .... Date: ....

Appendix XII

UGANDA MARTYRS UNIVERSITY

BIN CARD

Description: ....

Bin No: ....

Code NO: ....

Maximum Level: ....

Minimum Level: ....

Re-order level: ....

DATE	RECEIPTS		ISSUES		BALANCE	REMARKS
	G.R NO.	QTY	RQ. NO.	QTY		

Appendix XIII

UGANDA MARTYRS UNIVERSITY

STORES REQUISITION

Department/Section: ....

SRN No. (Pre-numbered) : ....

DESCRIP TION	QUANTIT Y

Prepared by: .... Date: ....

Approved by: .... Date: ....

Appendix XIV

UGANDA MARTYRS

UNIVERSITYSTORES

LEDGER ACCOUNT

Material: .... Maximum Qty: .... Location: ....

Minimum Qty: ....

	Receipts				Issues				Stock Balance			
Date	Descrip	Qtty	Price	Amt	Descrip	Qtty	Price	Amt	Descip	Qtty	Price	Amt

APPENDIX XV

UGANDA MARTYRS UNIVERSITY

Fuel Coupon

Serial No: .... Date: ....

Petrol Station: ....

Amount in UGX: ....

Vehicle No: ....

Meter Reading: ....

Driver: ....

Authorised Signature: ....

Uganda Martyrs University, P.O. Box 5498 - Kampala
- Uganda.
Tel: (+256)0382-410 611, Fax: (+256)0382- 410
100.
E-mail:
umu@umu.ac.
ug.Web:
www.umu.ac.
ug