

# **ACTION FOR CLIMATE CHANGE**



## **FINANCIAL POLICY AND REGULATIONS**

**MAY 2024**

## POLICY INDEXING INFORMATION

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## **PREFACE**

Since its inception in 2022, Action for Climate Change (ACC) has continued to grow. In the years since our founding, we have made significant strides in building partnerships, delivering programs on climate change, and strengthening community capacities. However, we are very aware that much more needs to be done. As our operations continue to expand and the challenges we face become increasingly complex, it becomes ever more important that we conduct our affairs with the highest standards of governance, financial accountability, and transparency.

As ACC continues to expand its operations and engages in a wide variety of stakeholders, so does the need for stringent financial policies and regulations that are increasingly vital. These will form the basis on which proper management of the resources is harnessed in a responsible manner, equitably, and in keeping with our mission to address climate change and promote sustainable development.

This ACC Financial Policy and Regulation document shows our commitment toward prudent financial management and accountability. It sets out in clear guidelines and standards the bounds within which we will conduct our financial practice to ensure the continued trust and confidence of our communities and those stakeholders who have invested in us.

The Finance and Administration Team, which led the compilation, headed programs, departments, and all contributors are greatly appreciated in making this a useful document. We need to go out of our way to implement what we claim to be responsible for: excellent service at fair resource management.

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Action for Climate Change (ACC)

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## **PART ONE**

### **1.0 INTRODUCTION**

#### **1.1 Title and Date of Commencement**

These financial rules and regulations are proposed to be used by the by Action for Climate Change (ACC) from May 2024. These rules and regulations shall be cited as the Action for Climate Change (ACC) Financial Rules and Regulations (2024) and shall come into force in June 2024.

#### **1.2 Definitions**

In these rules and regulations unless the context requires otherwise:

1.2.1 ACC means Action for Climate Change

1.1.1 Organization: For the purpose of this document, the term “organization” means Action for Climate Change (ACC).

1.1.2 The chief executive officer (CEO) shall mean the person who has overall responsibility for the management of ACC.

1.2.1 “Accounting Officer” shall be the person appointed by the Board of Directors to that post and includes any duly appointed by the CEO to act for him during his absence.

1.2.2 Consultant means a company, corporation, organization, partnership or individual person engaged in or able to be engaged in the business of providing services in architecture, economics, engineering, surveying or any field or professional activity intending to achieve objectives of the organization.

1.2.3 Contract means agreement made between ACC and a supplier contractor as a result of procurement proceedings, for the sale or supply of goods, provision of services or for the execution of works.

1.2.4 Contractor means a company, corporation, organization, partnership or individual person engaged in or able to be in civil, electrical or mechanical engineering or in construction or building work of any kind including repairs and renovations, and who is, according to the context, a potential party or the party to a entered contract with ACC.

1.2.5 Corrupt practice means the offering, giving receiving, or soliciting of anything of value to influence the action of ACC officer in the finance or procurement process or contract execution.

1.2.6 ‘Fraudulent Practice’ ‘means a misrepresentation of facts in order to influence a finance or procurement process or the execution of a contract to

the detriment of ACC and includes collusive practices among tenderers prior to or after tender submission and designed to establish tender prices at artificial non- competitive levels to deprive SMMUCo of the benefits of free and fair competition.

- 1.2.7 “Goods” means raw materials, product, equipment and other physical objects of every kind and description, whether in solid, liquid or gaseous form, electricity intangible assets as well as services incidental to the supply of the goods provided that the value of the services does not exceed the value of the goods themselves.
- 1.2.8 ‘Imprest Holders’ shall be an officer of ACC who has at his disposal a specified sum of money for disbursement on activities of the ACC.
- 1.2.9 Procurement means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by ACC and includes all functions that pertain to the obtaining of any goods, works or services include description of requirements, selection and invitation of tenders preparation and award of contracts.
- 1.2.10 Services’ means any object of procurement other than goods, which involve the furnishing of labor, time or effort including the delivery of reports, drawings or designs, or the hire or use of vehicles and machinery or equipment.
- 1.2.11 ‘Suppliers’ means a company, corporation, organization or partnership of individual person supplying goods and services, hiring equipment or providing transport services and who is, according to the contract, a potential party or the party to a procurement contract with ACC.
- 1.2.12 Tender means, depending on context, either
- i. A request drawn by ACC for offer or quotations to be made by suppliers or contractors, or
  - ii. Offer, quotations or technical proposal made by a supplier or contractor in response to a request by ACC.
- 1.2.13 Organizational funds means all cash, cash equivalents and other resources generated by ACC and/or availed by the Government, Donors and other sources to the Organization or its units for the purpose of carrying ACC activities.

### **1.3 Application**

1.3.1 These Financial rules and regulations shall apply to all staff and all units of the ACC.

3.3.2 The CEO shall be responsible to the Board of Directors for the enforcement of these rules and Financial Regulations.

3.3.3 In the application of these rules and Financial Regulations, the CEO shall further be guided by the relevant decisions of the Governing Board made from time to time.

3.3.4 Where the provisions of these rules and regulations are conflicting with statutes and circulars from the ministry of finance, provisions of such statutes and circulars shall prevail.

#### **1.4 Updating**

1.4.1 Every five years, or less if need arise, the Accounting officer shall arrange for the rules and regulations to be reviewed, and for any proposed changes to be submitted to the Board of Directors for its consideration.

## **PART TWO**

### **2.0 BUDGET**

#### **2.1 Definition:**

- i. A budget is a deliberate plan of action expressed in monetary terms and a policy to be followed to achieve a given objective or goal. It is a financial planning tool for control.
- ii. A budget is a deliberate plan for spending based on income and expenses expressed in monetary terms, while adhering to organizational financial policy in order to achieve a given objective or goal. It is a financial planning tool for control.

#### **2.2 Budgetary Process and Control**

- 2.2.1 The Board of Directors shall set out the short- and long-term objectives of the ACC. The Director shall report quarterly to the Board of Directors any success or failure to achieve the objectives set out in the budget.
- 2.2.2 The Board of Directors shall then be able to assess the ACC performance, review any bottlenecks and direct changes in performance strategies.

2.2.3 The Organization budget period shall be one financial year of 12 months running from 1<sup>st</sup> July to 30<sup>th</sup> June every year.

### **2.3 Budget Procedures and Annual Estimates**

2.3.1 The Deputy Director of Administration and Finance (DDAF) shall be responsible on behalf of the management to prepare annual estimates of the revenue and expenditure essential to the efficient administration of the ACC for the subsequent financial year.

2.3.2 For the purpose of proper discharge of the above responsibility the Management shall be required to provide to the Board of Directors the following information:

- (a) Estimates of all revenue to be raised during the financial year to which the budget relates.
- (b) Estimates of total current expenditure for that financial year.
- (c) Estimates of capital expenditure for that year and future financial years were broken down by projects or categories, and the recurrent operating or maintenance costs arising from such projects.
- (d) Proposals for financing any anticipated deficit including estimates of interest and debt servicing charges and any repayment on loans for the financial year, and
- (e) Such other details are necessary to ensure that the comprehensiveness and transparency of the information supplied enables the Board of Directors to arrive at appropriate and firm decisions.

### **2.4 Budget Guidelines**

2.4.1 The Deputy Director Administration and Finance (DDAF) shall after consultation with the Director issues in each year at an appropriate time budget guidelines requiring all heads of departments to submit their estimates in accordance with a specified time table, detailed proposal applications, financial requirements and all other explanations relevant to their staff establishments, recurrent and capital expenditure and the anticipated outputs of the following year for which they are responsible. The Director shall present the annual budget estimated to the Board of Directors for approval after having been discussed and agreed upon in the Organization management meeting. The approved budget shall be submitted to the relevant authority

2.4.2 Every Deputy Director shall comply with the timings set out in the relevant circular in order that the budgetary process is not delayed to allow the Board of Directors to have sufficient time to complete its scrutiny of the proposal and also to ensure the annual budget is approved by the Board of Directors before the commencement of each financial year.

2.4.3 Proposals for any new service or an expansion of existing services, (changes or increase in establishment or an upgrading) stating the amount required and revenue expected, the objectives sought, the activities to be undertaken and the outputs expected may only be included in the draft estimates provided prior approval of the Board of Directors has been obtained.

## **2.5 Estimates of Revenue.**

2.5.1 The estimates of revenue include gross receipts of the Bureau that are payable to its bank accounts in particular shall include:

- (a) Government subvention
- (b) Fees chargeable on various services rendered by the Organization
- (c) Grants (Institutional and personnel costs payable to Organization from different projects)
- (d) Funds from donors payable to organization.
- (e) Miscellaneous receipts.

2.5.2 Revenue allocations/codes

- i) Replacement cost
- ii) Institutional Overheads
- iii) Disposal of Fixed overhead
- iv) Government Subside
- v) Misc. Income

## **2.6 Estimates of Expenditure**

1.6.1 The estimates of expenditure to be prepared must show as nearly as can be predicted the amount which it is expected to be actually spent by the Organization during the year.

1.6.2 Each Director shall, as far as possible, include all the items relating to the services provided under the directorate so as to show clearly the total estimated cost of the directorate.

1.6.3 The expenditure of Organization shall be prepared using Activity Based Budgeting systems (ABB)/Incremental Budgeting as will be appropriate and as will be recommended by the Government or funding agent(s). With exception of statutory expenses, other expenses will be attended based on financial capability of the organization as approved by ACC Governing Board.

### **(A) RE-CURRENT EXPENDITURE**

- (i) Salaries and Wages
- (ii) Travelling & subsistence allowance
- (iii) Organization development expenses
- (iv) Board of director's expenses
- (v) Office expenses
- (vi) Printing and stationery
- (vii) Training
- (viii) Furniture Repair & Maintenance
- (ix) Staff welfare and
- (x) PAYE
- (xi) Ethical Clearance
- (xii) Depreciation
- (xiii) Motor Veh. Maintenance & fuel
- (xiv) Utilities
- (xv) House allowances
- (xvi) Medical Expenses
- (xvii) Entertainment
- (xviii) Uniforms
- (xix) Casual Laborer wages

**(B) CAPITAL EXPENDITURE.**

Capital expenditure include the procurements of all capital assets (goods, works and consultancy) that are to be used by the Organization for productive purposes and which are expected to have life expectancy of more than one year and to cost more than a minimum amount of TZS 500,000.= such as outright purchase of building, household and equipments, vehicles, plant and machinery, feasibility study, rehabilitation, renovation, civil constructions and intangible assets (rights or access, patents and other rights).

**2.7 Control of Capital Works and Projects**

2.7.1 The Director shall be responsible for exercising control over both total cost of the work or project and the issues of funds for the work or project during the financial year.

2.7.2 Any person who has prepared estimates of expenditure for any work of project shall submit to the management the estimates which are sufficiently detailed to be included in the annual budget to indicate:

- (a) The anticipated expenditure for the fourth-coming year.

- (b) The original estimate for the whole work, the revised estimates (if any) for the whole work.
- (c) The total amount actually expended so far as the accounts are complete and
- (d) The total estimated amount likely to be expended on such work up to the beginning of the year.

1.7.2 The amount approved by the management for a particular financial year and the total estimated cost of the capital work or project and the funds required for the financial year shall be included in the annual budget under the capital expenditure category submitted to the Board of Directors for approval.

## **2.8 Budget Performance Reviews**

- a. Review of the Revenue Budget, Capital Budget and Cash Flow Forecasts shall be carried out by the Deputy Director for Administration and Finance (DDAF) in every quarter by comparing the actual amounts with estimates, after obtaining reasons for variances, if any, from Directors/Heads of Departments as appropriate and report to the CEO who shall report to the Board of Directors in the next Board meeting through the Director General.
- b. A detailed review has to be carried out annually and the performance in comparison to the budget estimates shall be reported to the Board of Directors. The efficiency in performance shall be measured not only in monetary terms but also be measured quantitatively and qualitatively. The annual performance review shall also be made in relation to long-term plans (i.e. Strategic Plan), to evaluate accomplishment of the plan.

## **PART THREE**

### **3.0 Financial Accounting and Control**

#### **3.1 Legal Requirements for Accounts**

- (a) The Board of Directors shall keep proper books and accounting records of all transactions related to finance of the Organization and shall prepare in respect of each financial year a balance sheet, income and expenditure account and statement of sources and Changes in working Capital. In the case of projects, financial reports shall be prepared and submitted in accordance with financial regulations of the Donors, Funders or Collaborators. Financial reports and accounting shall be prepared in Cash Bases Accounting Principals

- (b) The accounts of the Organization or Projects shall be audited by the firm of Certified Public Accountants in Public Practice appointed as per requirements of the Public Finance Act, 2004 and the audited accounts presented to the Board of Directors one month after the receipt of audited accounts.
- (c) Replies to queries arising from the Auditors Report must be attached to the audited accounts when they are presented to the Board of Directors and approval of the Board obtained for such replies.

### **3.2 The Accounting Manual**

3.2.1 There shall be prepared under these regulations the accounting manual.

3.2.2 The ACC Director has overall responsibility for the accounting systems and for the preparation and issue of the accounting manual. In order to ensure that the manual is kept up to date the Deputy Director of Administration and Finance (DDAF) will be responsible for the revision and updating of existing instruction/proposed additions and revision thereto must be referred to him.

3.2.2 The purpose of the accounting manual is to:

- (a) Describe the accounting procedure operated by the Organization in relation to these regulations.
- (b) Explain the main accounting principles adopted by the Organization.
- (c) Ensure uniformity in the application of these financial regulations, and conformity to International Financial Reporting Standards (IFRS).
- (d) Provide a ready means of reference in order to:
  - (i) Explain the accounting system and financial management information to staff and management.
  - (ii) Train staff of the Finance department on the operations of the accounting system.

### **3.3 Powers to Control Income**

- (a) Income means any money (receipts) collected by the Organization against specified items of income and either collected by cash or payable directly to the Organization Bank accounts.
- (b) Income collected from all sources of the Organization and circumstances in which they shall be required to be paid are controlled by the Board of Directors by approving the Master Budget

and Supplementary Budget. Other income from projects depends solely on grant protocol.

- (c) All receipts will be acknowledged by the issuing of an official receipt. All transactions will promptly be recorded in the accounts and subsidiary books and in such a manner as to facilitate their periodic reconciliation with all associated records.

### **3.4 Powers to Authorize Expenditure**

- (a) For the purpose of having the control of the Organization's money the Board of Directors shall be vested with exclusive right to authorize expenditure, through the approval of the annual budget and supplementary budget. Expenditure related to the project shall be approved by the ACC Director.
- (b) When the annual budget has been approved, the expenditure shall be held in accordance with and be limited by the provision of each item, and it may only be increased or varied by the Board of Directors by means of a supplementary budget. Project expenditure shall be used depending on the approved budget during signing the protocol.

### **3.5 Limits of Authorities for Expenditure**

- (a) The Director shall be required to control the expenditure in respect of any service or duty to ensure that the provisions for services or duty authorized by the Board of Directors are not exceeded.
- (b) The Director shall seek the approval of the Chairman subject to ratification by the Board in the first meeting after the expenditure whenever the expenditure was not approved by the Board of Directors thus it not included in the annual budget.
- (c) Where any further disbursements is required in respect of a service which could not have been fore seen, or cannot be postponed without causing harm to the operations, or cannot appropriately be charged to an excess thereon, prior approval of the Board of Directors for such expenditure as supplementary estimates shall be sought.
- (d) Where a supplementary budget is required as additional to the original budget the application shall include:
  - (i) The actual expenditure and the outstanding liabilities against the item on the date when the application is made.
  - (ii) The amount of supplements required and the reasons why the supplementary is necessary and why it has not been possible to keep within the budgeted amount.
  - (iii) The basis on which the supplement is calculated and
  - (iv) In case of supplement to create new items the reasons why the need for the service was not foreseen when the annual budget was drafted and why it cannot be postponed and included in the next year's annual budget.

### **3.6 Bank Accounts and Cheques**

#### **3.6.1 Opening of a bank accounts**

The opening of an official bank account for any purpose requires the authority of the Board of Directors.

#### **3.6.2 Power to sign cheques**

- (i) Signatories to official bank accounts shall be authorized by the Board of Directors.
- (ii) Two categories of Bank accounts signatories shall be maintained by the Organization. Each cheque shall be signed by two signatories', one signatory from each category.

#### **CATEGORY**

<b>A</b>	<b>B</b>
1. Director	1.Head Capacity Building
2. Head of Unit Fundraising	2.Deputy Director Administration and Finance

#### **3.6.3 Security of cheques**

Cheque books for the operation of official bank accounts shall be obtained from the Organization's bankers by authorized officers only. Strict security of cheques shall be observed as follows:

- (i) All cheque books must be kept secure under locks by the cashier.
- (ii) The expenditure accountant shall maintain a record of all receipts and issues of cheque in register and this register shall be subjected to frequent checks by the Deputy Director Administration and Finance (DDAF)
- (iii) In the event of a cheque being lost whether the cheque is unused or has already been issued, the Head of Administration and Finance shall immediately issue a stop payment order to the bank consequently, and the value of the cheque stopped shall be credited to the appropriate account.
- (iv) All cheques drawn for payment of goods/services delivered/rendered by third parties shall strictly be crossed "Account Payee only".
- (v) Every cheque drawn upon the Organization or Project Account shall be prepared in accordance with the relevant date given on the authenticated payment document concerned and shall be completed in such a manner as:
  - (1) To hinder improper alterations and
  - (2) To facilitate it being linked to the payment voucher to which it relates.

**(vi) Bank reconciliation statements**

The accountant shall ensure that Bank reconciliation statements are prepared for all bank accounts and submitted to the Head of Administration and Finance for approval at the end of every month.

**3.6.4 Security of Cash**

**(a) Cash holdings:**

(i) Whenever possible, a limit shall be set on the amount of cash which an individual officer must be made aware of holding and the desirability of relating only such sums of cash that can be expected to be required for proper conduct of official business.

(ii) Officers carrying cash over TZS 10,000,000/= from one place to another should ensure security by seeking armed escort as a pre-caution against theft or loss by snatching.

**(c) Banking**

All daily cash receipts must be banked intact on the following working day.

**(d) Office cash security**

Every office at which cash is collected or where cash is held for disbursement must be secure. The windows must be suitably secured and proved that does not allow easy access through the roof of the building.

**(d) Safe/Strong Rooms**

For greater cash and documents security the Head of Administration and Finance shall ensure that safes have facilities for fixing them to the floor, wall or some other stable object.

**(e) Cash Box**

The purpose of cash boxing is to facilitate temporary security over cash collections and/or paying cash. The officer responsible must ensure that at the end of the day cash is transferred into a safe or the located cash box in a strong room. The keys to all cash boxes and safes must be adequately safeguarded by the cashier.

**(f) Physical Verification of Cash.**

(i) The cash balance shall be checked daily by the Revenue/Expenditure Accountant and thereafter a certificate of having checked the physical cash balance be given to the

Deputy Director Administration and Finance (DDAF) in a designed form daily.

(ii) Where the difference arises between the physical cash balance and the cash book balances, reconciliation shall be prepared and reasons for the difference given to the Deputy Director Administration and Finance (DDAF). However, the DDAF shall take appropriate action on the basis of the reasons given for the difference in order to adjust the cash book.

**(g) Insurance of cash**

Adequate and appropriate insurance cover shall be taken to cover safety of cash and other valuables in safes, strong rooms, cash box and cash in transit against theft, robbery, fire and deterioration by heat.

**3.6.5 Petty Cash Imprest**

In order to facilitate payments of individuals and minor local purchases, the cash on behalf of the Deputy Director Administration and Finance (DDAF) shall operate a petty cash imprest system, the float shall be Tshs 400,000.00. Amount will be taken in normal way as imprest granted.

**3.6.6 Authority for Payment**

- (i) Any officer making payment, allowing or directing any payment without proper authority will be held personally and pecuniary responsible for payment.
- (ii) Any officer who is required to render payments will be held responsible for any inaccuracies in these accounts. Where the necessity for payment arises out of negligence or misconduct on the part of the officer, the amount incurred shall be surcharged against him.

**3.6.7 Approving Voucher Forms.**

The accountant shall issue voucher forms to users on request. Forms used in connection with making payment shall be approved by the Deputy Director Administration and Finance (DDAF).

**3.6.8 Payment of Cheque.**

All payments of TZS 100,000 and above shall be made by cheque.

**3.6.9 Authorization of Payment**

- (a) **Director.**  
No limit within the approved budget and in accordance with the requirements of Public Procurement Act 2005.
- (c) **Deputy Director Finance & Adm.**

The Deputy Director Administration and Finance (DDAF) shall approve any payment voucher except capital expenditure in accordance with the approved budget.

**3.6.10 Capital Expenditure – No limit within the approved budget**

Payment shall be approved by the Director. No other officer is allowed to approve any payment for capital expenditure of any nature except during Director's absence. The Officer appointed as Director may approve capital expenditure, where there is urgent need for such payments, but the same should be reported by the Ag. Director, in writing, to the Director on his/her returns for ratification.

**3.6.11 Inward Remittance**

The Deputy Director Administration and Finance (DDAF) office shall maintain a Register of all sums of money received by post.

**3.6.12 Control of Receipts Books.**

The word receipts include any money received and other security bonds used in connection with the collection of organization's monies and issue upon the authority of the Director. All such receipts shall be numbered consecutively.

**3.6.13 Responsibility for Collection of Organization's Money**

- (i) Every employee has a duty bound to draw the attention of the Director where and when he/she has reason to believe that financial irregularities have occurred in collecting Organization's money.
- (ii) All monies collected in cash by the Organization shall not be used for making payments or exchange for cheques unless approved by the Director General.
- (iii) All receipts forms, stamps and tickets approved for use in acknowledging receipts of Organization's money shall be afforded maximum security at all times so as to prevent their improper use. Every officer having in his/her charge of any kind of official receipt shall be fully responsible for them until such times as he/she is properly relieved.

**3.6.14 Control of Receipts.**

It is the duty of DDF&A to ensure that proper control is exercised at every level of the company over all official receipts. Any loss and unauthorized use of such forms or books shall be the personal responsibility of the officer concerned. Control measures shall include:

- (1) The security and proper storing, preferably under lock and key.
- (2) Prompt and accurate registering of stocks held, received and issued the recording of complete books in a "register of counterfoils".

- (3) Through checking of stocks received so as to ensure not only quantities received correspond with particulars in the issue but also that printing errors do not occur.
- (4) Daily banking by the cashier and prompt submission of the appropriate receipts to the accountant.
- (5) Prompt submission of accurate returns of unused counterfoils receipts by all officers having stocks in their charge.
- (6) Prompt checking of all returns of unused receipts against records of issues and of receipts already brought to Finance.

### **3.7 ACCOUNTING RECORDS**

#### **3.7.1 Filling and retention of accounting records.**

All accounting and related records shall be filled and retained in an orderly manner within the Organization office for at least a period of five years from the last day of the relevant accounting period.

#### **3.7.2 Alteration of Accounting Records**

- (i) No accounting and related records shall be erased, obliterated, rendered ineligible or altered in any manner other than cancelling the entire records and writing a new one.
- (ii) Any accounting records made for amending, adjusting, correcting or reversing a record already made, shall be supported by a voucher stating the date and the reason and authority for such a transaction. A cross reference to the original voucher shall be made.

#### **3.7.3 Nature of Accounting Records**

- (i) Day-to-day accounting transactions shall be recorded in a chronological sequence in appropriate books of prime entry which bear reference to relevant vouchers.
- (ii) The transactions shall be analyzed appropriately in a systematic manner in suitable ledger accounts so that accounting entries and related records make it possible to survey the course of activities, results of operations and financial position.
- (iii) The summarized control ledger shall be supported by detailed subsidiary ledgers or registers, to the extent necessary to provide adequate overview and control.
- (iv) The ledger accounts shall be written, up-to-date, and balanced periodically to provide relevant financial statements at least quarterly during any accounting period.

### **3.7.4 SALARIES AND WAGES**

- (i) All staff appointments should be made against posts being sanctioned and approved by the Board of Directors.  
The Deputy Director, Administration and Finance (DDAF) shall only pay salaries and wages against letters of appointment issued by the Director General or the Director. Copies of letters awarding promotions, demotions, increments and termination shall be sent to the same for necessary action.
- (ii) Overtime shall be authorized by the Directors in their respective Directorates within the budget limit after overtime requests have been made and submitted to the Director. Overtime payment shall not exceed an employee's basic salary in any one month and shall be based on hourly rates set from time to time by statutory laws.
- (iii) The Administrative Secretary shall maintain up to date records of all matters relating to employees' leave and keep the Deputy Director Administration and Finance (DDAF) informed on any leave without pay.
- (iv) The payroll like a payment voucher shall be checked for its accuracy, and authenticity with regard to names, basic salary, allowances and deductions after which it shall be approved and authorized.

#### **3.7.4.1 Entertainment Allowances.**

The Authority to entertain visitors or guests of the Organization is being vested with the Directors subject to budget limits.

### **3.8 MOTOR VEHICLE RUNNING EXPENSES**

- 3.8.1 For effective and better control, logbooks for motor vehicles shall be maintained regularly and up to date showing the going out and coming in, the number of kilometres covered on each journey or work performances.
- 3.8.2 Petrol/diesel vouchers shall be signed by the Deputy Director Administration and Finance (DDAF) and during his/her absence by his assistance.  
When fuel is filled into the vehicle the kilometer reading on the speedometer shall be recorded so as to enable the administration section to determine the fuel efficiency of any vehicle being used by the Bureau.
- 3.8.3 Where possible and practicable each motor vehicle shall be allocated to a particular driver so that performance and efficiency can be assessed, and responsibility be fixed for damage and loss.
- 3.8.4 All Organization vehicles except those allocated to the Director shall be parked at the Organization premises after use and the ignition keys shall be deposited with the security officer on duty. A register shall

have to be kept for the purpose. Because of the nature of the activities all officers who require the use of vehicles have to get approval from the Deputy Director of Administration and Finance (DDAF). Need for the vehicle shall be stated and recorded clearly in writing.

- 3.8.5 An inventory of tools for each vehicle shall be prepared and kept by the DDAF and a copy of the same shall be kept by the driver.
- 3.8.6 If a vehicle is involved in an accident, the DDAF shall
  - (a) Request for a detailed report of the accident from the driver.
  - (b) Request the accident report from the police.
  - (c) Lodge a claim with the insurance company.
- 3.8.7 All repairs of the Organization's vehicles shall be done by authorized dealers with the express authority of the Director General. A history card shall be kept by the Administration and Finance Manager for each vehicle showing details of repair, service etc. This card shall be the basic document for the control of vehicle maintenance expenses and shall be examined by the DCS before authorizing maintenance expenses.

### **3.9 MEDICAL EXPENSES.**

The ACC shall make staff contribution to the Social Security Fund that offers medical services. Through the Social Security Fund, staff will be covered for health services according to the Fund's Rules and Regulations.

#### **3.9.1 INSURANCE**

- i. All the insurance of the organization shall be under the control of the
  - a. DDAF
- ii. The DDAF shall ensure that adequate insurance covers are
- iii. available for all properties of the Organization against theft and fire;
- iv. accidents etc and that these policies are kept up to date.
- v. The DDAF shall ensure that adequate insurance covers are obtained for all Organizations' personnel at any given time and the policies are kept up to date, especially those falling under the workman's compensation act and other legal and statutory requirements.
- vi. The DDAF ensures that fidelity guarantee cover is available for all Bureaus' personnel handling cash, valuables, goods and properties.
- vii. The DDAF shall keep a register of all insurance taken by the organization and the risk covered thereby. The Director shall from time to time inspect the register and satisfy himself that all the Organization properties and personnel are adequately insured and when necessary, issue instructions for change of amounts covered by insurance.
- viii. All insurance claims shall be prepared by the DDAF and transmitted to the insurance company.

- ix. All monies due and recovered from the insurance company shall be paid to the Organization in the first instance and subsequently to the insured party (in case of an employee of the Organization).

### **3.10 TELECOMMUNICATION EXPENSES, FAX, E-MAIL AND INTERNET EXPENSES.**

All messages originating from the Unit/Department shall be approved by the respective Director/Head of Unit or Department.

- (a) Administrative messages shall be paid by the Organization
- (b) Personal/private messages shall be paid for by the officer concerned.
- (c) Any call to mobile phone shall be approved by DDAF beforehand.

### **3.11 STAFF ADVANCES AND LOAN**

#### **3.11.1 Staff Salary Advances**

- a) Salary advances shall be paid up to 3-month basic salary of the staff and recovered within 6 months provided the staff net pay will not fall below 1/3 of the monthly basic salary.
- b) Salary advances should be recovered or repaid within employment contract or service agreement period.

### **3.12 IMPREST**

It shall be the duty of imprest holder.

- (a) To ensure that an imprest issued to him is used wholly and exclusively for the purpose for which it was intended.
- (b) To ensure that the impress money and any receipts waiting for retirement are adequately safeguarded at all times.
- (c) To obtain receipt on all payments required to be retired according to this policy.
- (d) To account for imprest in full on completion of the duty and to refund any unspent money to the cash office
- (e) The following expenses category nor required to be accounted for namely substance allowance, incidental expenses & communication allowance

3.12.1 Where an officer to whom an imprest has been issued fails to retire it in full within 14 days of completion of duty, the amount outstanding may forthwith be recovered from his/her salary or any other emoluments due to the officer.

3.12.2 Imprest holders are not relieved of their responsibilities until retirement forms submitted to the DDAF have been examined and found to be correct.

3.12.3 No further imprest shall be issued to an officer for the purpose of duty if he or she is still in possession of an un-retired imprest previously issued to him/her for a similar purpose. However, the Director may authorize a further imprest to an officer who has not fully retired his/her outstanding imprest on circumstances he/she may deem reasonable.

3.12.4 Authority for granting imprest shall be vested to the Director or in his absence the person acting on his capacity.

## **PART FOUR**

### **4.0 PROCUREMENT**

#### **4.1 Preamble**

Procurement procedures are intended to cater the following basic principles of Public Procurement Act (PPA) 2004

- 4.1.1 Equality and opportunity to all prospective suppliers, contractors or consultants
- 4.1.2 Fairness of treatment of all parties
- 4.1.3 The need to obtain the best value for money in terms of price, quality and delivery having regards to set specifications and criteria. Adoption of procurement requirements of external financiers if in conflict with our provisions

#### **4.2 Basic objectives**

- 4.2.1 Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement practices.
- 4.2.2 Harmonize the procurement policies systems and practices of the External Financiers and the PPA 2004
- 4.2.3 Ensure that there is no deviation from the use of the standardized tendering documents procedural forms are effected only after prior written approval of the authority, in this case ACC management
- 4.2.4 Authorize the head of Finance and Administration to monitor the award and implementation contracts with a view to ensuring that:
  - a. Such contracts are awarded impartially and on merit
  - b. The circumstances in which each contract is awarded or as the case may be, terminated do not involve impropriety or irregularity
  - c. Develop policies and maintain an operational plan on capacity building, both for institutional and human resource development
  - d. Agree on a list of suppliers which shall be reviewed annually of works, services and supplies
  - e. Administer and enforce compliance with all the procedures of this policy
  - f. Recommending disciplinary actions for note in breach of this policy
  - g. Communicating award decisions
  - h. Advertising tender opportunities
- 4.2.5 This financial procedures has to be read in conjunction with other approved policies and procedures, notably those relating to capital expenditure; the approved budget for the relevant year, store receipt, custody and accounting, payment to suppliers, adjustment of advances and deduction of tax from suppliers payments.

### **4.3 Request for Quotation (RFQ) Procedures**

- 4.3.1 User department or section has to fill RFQ and forward to at least three suppliers who are authorized by ACC management. This process should be supported by the availability of funds and budget thereof.
- 4.3.2 Upon receipt of proforma invoices the request for procurement (RFP) is to be filled and approved by the authorized person, who should be satisfied himself or herself with funds that are available and in accordance to budget
- 4.3.3 This is absolutely necessary in view of the fact that goods are to be specified in the purchase orders exactly as per specification in the RFPs
- 4.3.4 Authorities are empowered to approve procurement, and their respective powers are detailed in the authority levels procedures
- 4.3.5 Purchasing small items by petty cash may be made without raising a RFP. RFPs are also not required where contracts for service exist (eg. Rentals, electricity)
- 4.3.6 The RFP originator must also ensure that there is adequate balance in the relevant budget provision to cover estimated expenses

### **4.4 Requests for Procurement (RFP) Procedures**

- 4.4.1 These requests are to be made and approved by the authorized person upon availability of funds and in accordance to budget on the prescribed pre-sequence numbered triplicate RFP forms (copy of forms at appendix1).
- 4.4.2 The responsibility of the user Dept / approving authority to ensure that each RFP is complete in all respects and for clear technical specification, make, model, catalogue number etc for the goods particulars. **This is necessary because goods are to be specified in the Purchase Order exactly as per specification on RFP.** Specific mention must be made about the goods to adhere to an existing or any sample, and about any pre-inspection involved. In the case of computer-related hardware, the Data Manager has to advise technical specifications of the items to ensure homogeneity and pre-inspect the goods before their being accepted against POs.
- 4.4.3 Authorities are empowered to approve procurement, and their respective powers are detailed in attached appendix (Authority Levels).
- 4.4.4 Purchasing small items by petty cash may be made without raising a RFP. RFPs are also not required where contract for service exists. (e.g. rentals, electricity).
- 4.4.5 The RFP originator must also ensure that there is adequate balance in the relevant budget provision to cover the estimated expense.

#### **4.5 Acquisition Process**

4.5.1 Before initiating the procurement process the Purchase Order (PO) is to scrutinize the RFPs to ensure that

- i) Each RFP is complete in all respect and for clear specifications of the goods particularly.
- ii) It has the approval of relevant authority.
- iii) Budget provision exists for the estimated amount.
- iv) Supporting Capital Expenditure proposal form is available in respect of capital items' RFP and capital expenditure balance available in order to affect the order. In case of any deficiency, the RFP is to be referred back to the originator for rectification.

4.5.2 The PO is to prize the RFP:

- i) On the basis of similar items if the same items have been purchased during the last two to three months or
- ii) Through obtaining quotes from the approved list of suppliers or
- iii) If recommended by user department.

#### **4.6 PURCHASE OF SMALL ITEMS BY PETTY CASH**

4.6.1 Purchase of small items sometimes may be made without Quotes / Local Purchase order (PO) under certain conditions such as:

- i) When items are needed urgently
- ii) When the RFP value is low (below Tsh50,000).

#### **4.7 FLOATING OF BIDS**

4.7.1 Procurement of goods / services is normally to be made from selected suppliers or the bids are floated to prospective suppliers through various options such as:

Selective bidding,

- i) Public bidding,
- ii) Single source, if no other suppliers supplying such items

4.7.2 PO is to issue the written invitation to relevant suppliers (minimum 3) to quote competitive rates for goods and services as per RFP specifications.

- I. All quotes are to be furnished by bidders in sealed envelopes and addressed to procurement section and either sent by mail / courier services. Any tender not received in this manner will be deemed null and void. In emergent cases tenders may be accepted through fax messages addressed to the Procurement Section, or Director KCRI
- II. The tender documents are opened on the date agreed by the Chairman (Director ACC). An additional member from user department may be co-opted for technical and rate evaluation.

- Minimum two members would form quorum for proceeding. To encourage openness, bidders may be invited during opening
- 4.7.3 The opened tenders are to be signed on the appointed date by the Tender Board. A comparative statement of quotes is to be prepared by the Tender Board Secretary in collaboration with user department to determine the competitive quotes, which meet the required specifications. The original quotes, competitive statement and members recommendations are to be submitted to the relevant authority for approval.
- 4.7.4 The Tender Board may award the tender to the competitive supplier and both the awarded and the user departments are notified.
- 4.7.5 Rate running contracts for one or more years' duration may be entered into with Quality and/or competitive supplier for items of general use required frequently throughout the year, such as
- i) Office Stationery,
  - ii) Import clearance,
  - iii) Repair and maintenance of assets,
  - iv) Goods movement
  - v) Insurance
  - vi) Advertisements
  - vii) Janitorial and Security Services.
- 4.7.6 Calling for quotes by the PO is not required in the cases of:
- i) Procurement of Land, Buildings, Vehicles, etc finalized by administration with the approval of competent authority.
  - ii) Repair for vehicles / other equipment (where no rate running contract exists) and for replacement of their parts processed by the administrator with the approval of Deputy Director Finance (initially quotes must be secured and the workshops visited to assess the available facilities in order to ascertain the technically proficient and competitive prime supplier).
- 4.7.7 Quotes are not necessary in the following cases also:
- i) For Petty cash purchases.
  - ii) Where waiver of quotes has been authorized by the required authority
  - iii) For items covered by valid rate-running contacts
  - iv) For any revision in quantities against an existing PO ( a formal PO amendment form is however to be issued )
- 4.7.8 Except for the cases mentioned in Para 2.4.8 above, all quotations are to be obtained by the PO. Quotes obtained through any other source are not to be considered. The PO may request the RFP originating department for assistance in this regard. There is no bar however on the originating department recommending names of any likely supplier.

## **4.8 PURCHASE ORDERS (POs)**

4.8.1 After the suppliers for goods selected as per paragraph, POs are to be issued.

4.8.1 POs are to be prepared in quadruplicate by the PO and issue over the signature of Director Finance in the prescribe sequence form in quadruplicate. As and when the PO is issued in the regions it will be entered into a register for POs. Extended entries in the register are to be made to record completion of procurement and payment to the supplier.

3.8.2 First and second copies of the PO are to be issued to supplier. Acknowledgement by the supplier on the second copy forms act as contract binding to both parties to terms and conditions specified in the PO. Any amendment in the terms and conditions must be formally issued to and acknowledged by the supplier. Amendments are to be recommended by the RFP originator, highlighting their effects and got approved before correcting same to PO. A formal amendment or new PO is issued by the PO and signed by DDAF.

3.8.3 Third copy of the PO is to be forwarded to the end user department for information and record.

3.8.4 The fourth copy is to be filed by the PO along with the copy of RFP, original quotes and competitive statement.

3.8.5 The POs register will be maintained manually.

3.8.6 POs should specifically indicate

- i) the date and place of, and ACC authority to receive, delivery of goods.
- ii) whether any sample accompanies the POs and whether samples of goods
- iii) on order are to be rendered by the suppliers to any specified ACC authority.
- iv) whether any pre-inspection by ACC designated officer is involved.
- v) whether GRN is to be obtained for supporting the claim for the payment
- vi) advance deduction of tax and other legal requirements.

## **4.9 RECEIPT OF GOODS**

Local procurement

4.9.1 The PO is responsible for receiving ordered goods and issuing Goods Receipt Note (GRN) after inspecting and ensuring that the goods

adhere to the PO specifications. Where necessary the representative of the originating Department be associated to help verification of correct specifications, quality, and quantity of goods and /or approval /comparison with samples. In cases where PO provides for a pre-inspection, a certificate of pre-inspection from the designated TTCL officer would be a pre-requisite. In case of adherence to a sample is involved the pre-inspecting TTCL official is supposed to be in possession of the requisite sample.

- 4.9.2 Petty items such as stationery, toiletries, kitchen supplies, bulbs, vehicle repairs and other assets repairs/ maintenance items (which normally deemed as issued / consumed immediately on receipt) are neither to be received by the store's personnel, nor any GRN is to be issued for them, as will be specified on the relevant PO. Counter books can act as a register for the movement of consumables. The RFP originating department in these cases will stamp the supplier's invoice with the certificate of goods that have been received in good quality and quantity.
- 4.9.3 A formal GRN in quadruplicate must be prepared for goods received. Original and second copy is to be given to supplier at the time of receipt of goods. The third copy is to be forwarded to accounts while fourth copy is retained as official record.

#### **4.10 PROCESSING PAYMENTS**

- 3.10.1 Supplier will send his invoice directly to the Finance department quoting the PO reference and enclosing the original GRN. Finance is to link the copy of the RFP and relevant PO copy to the invoice for approval by the competent authority of its payment.

4.10.1 Payments to suppliers are to be made through crossed cheques. Advance tax, where applicable, are to be deducted from the invoice amounts and deposited into TRA account.

## **PART FIVE**

### **5 TENDER BOARD**

#### **5.1 TENDER BOARD MEMBERS**

A chairman in this case the ACC Director or a person of similar standing and who shall be appointed by the Director.

- Three members who are heads of department within ACC
- Two members who will be appointed by ACC Director

- The secretary shall be a procurement specialist who shall be at the level of managerial careers. Currently, procurement and logistic manager.

## **5.2 FUNCTIONS OF TENDER BOARD**

- Adjudication of recommendations from the procurement unit and award of contracts/tender
- Review all applications for variations, addenda or amendments and disposal by tender procedures
- Ensuring the best practices in relation to procurement and disposal by tender are strictly adhered
- Ensure compliance with PPA
- Liaising directly with the authority on matters within its jurisdiction
- Appointing the evaluation committee
- Ensures that the implementation of the awarded contract is in accordance with the terms and conditions of the award

## **5.3 PROCUREMENT MANAGEMENT UNIT**

- Will be headed by procurement and logistic manager
- Staffed to an appropriate level
- It shall consist of procurement and other technical specialists together with necessary supporting and administrative staff
- Manage all procurement and disposal by tender activities with the except adjudication and the award of contract
- Support functioning of the tender board
- Implement the decision of the tender board
- Liaise directly with the authority on matters within its jurisdiction
- Act as a secretariat of the tender board
- Plan the procurement and disposal by tender activities of ACC
- Recommend procurement and disposal by tender procedures
- Prepare tendering documents
- Prepare advertisements of tender opportunities
- Issue approved contract document
- Maintain and archive records or the procurement and disposal process
- Co-ordinate the procurement and disposal activities of all the departments of the institution.
- Prepare other reports as may be required from time to time

## **PART SIX**

### **6.0 IRREGULARITIES**

#### **6.1 Duty to Report Occurrence of Losses and Irregularities**

6.1.1 On the occurrence of any loss of ACC funds or property, from whatever cause, an immediate report shall be made by the Heads of Departments, Project Coordinators, or Unit Leaders where the loss occurred, to the Executive Director, the Finance Manager, the Internal Auditor, and the Risk and Compliance Officer. Such a loss report shall contain information on where the loss occurred, individuals involved, circumstances under which the loss occurred, proposed action, or actions taken. A detailed illustrative example of a loss report is provided in the Appendix.

6.1.2 Where the loss is:

- i. Not due to negligence or dishonesty of an officer of the ACC, the Executive Director will take such action as they may deem fit.
- ii. Due to dishonesty and/or negligence on the part of a member of staff of the ACC, the Executive Director shall immediately report the matter to the Police, depending on the materiality and the circumstances under which the loss occurred.
- iii. Where the circumstances under which the loss of ACC funds or property are not apparent, the Executive Director shall immediately appoint an Inquiry Committee for a detailed investigation. On receipt of the committee's report, the Executive Director shall report to the Police or take other measures deemed necessary.
- iv. Any officer of the ACC who discovers a loss or irregularity regarding the handling of ACC assets, funds, or property shall report the circumstances immediately to the Project Manager or Department Head, who shall take up the matter as required by Regulation
- v. It is not within the discretion of any member of staff to withhold a report of any case of loss, notwithstanding that restitution may be made.

## **PART SEVEN**

### **7.0 MONITORING AND EVALUATION**

#### **7.1 Monitoring**

- (i) Designated organization officials from the custodian unit of this Policy shall regularly monitor and evaluate the implementation of the Conflict-of-Interest Policy.
- (ii) Compliance with the Policy and effectiveness of conflict-of-interest management shall be assessed to identify areas for improvement.

**7.2 Evaluation**

- (i) The effectiveness of this Policy shall be periodically evaluated to ensure its relevance and alignment with the ACC’s mission and values.
- (ii) Any necessary updates or revisions to the Policy will be made based on the evaluation findings.

**8.0 RELATED LEGISLATIONS**

This Policy will be implemented closely with: -

- (i) Staff Regulations and Conditions of Services;
- (ii) Collaboration and Partnership Policy and Guidelines;
- (iv) Effort Reporting and Time Compensation Policy for Sponsored Projects;
- (v) Quality Assurance Policy;
- (vii) Any other college governance tools shall be deemed necessary.

**9.0 KEY STAKEHOLDERS.**

The following are the intended stakeholders of this Policy:-

- (i) ACC management;
- (ii) ACC staff;
- (iii) Project administrators;
- (vi) Heads of Departments;
- (vii) Project Accountants;
- (viii) Internal and external Auditors;
- (ix) Collaborators and project sponsors.

**10.0 EFFECTIVE DATE FOR THE POLICY**

The Policy shall become effective from the date the ACC board approves it.

**11.0 NEXT REVIEW DATE**

The Policy shall be reviewed every five (5) years after the approval date.

**12.0 APPROVAL DETAILS**

The ACC Board approved this Policy during its ..... Meeting held this ..... day ..... 2024.