

DRA Finance, Procurement and Stock Control System Principles

FINANCE	PROCUREMENT	STOCK CONTROL
<ul style="list-style-type: none"> • All finances raised for the use of organisation are deposited in bank accounts in the name of DRA; • Funds are raised by executive body of the organization – no funds are raised by the legislative board members; • Bank accounts held in the name of the organisation accept no individual members of the organisation or council member deposits; • DRA operates to payment systems; in cash or by cheque. Amounts under SDG 500 can be effected in cash. Any amount more than this ceiling is payable by cheques – where possible; • All cheques require 2 signatures to in order to enable beneficiary to with draw payment from bank. Currently, Executive 	<ul style="list-style-type: none"> • Procurement of asset or any item in the name and or the interest of DRA must originate from planned and budgeted sources. No purchase of items and assets id made without management authorisation; • Asset purchase requires certain steps and procedures to be fulfilled; raising purchase requests/orders, obtain budgetary verification and budget holder signature; • For assets worth more than SDG 500, 3 pro forma invoices must be collected for price checking and comparison. Best-price for best-commodity principle is applied in qualifying pro forma invoices. However, best quality assets may sometimes force selection committees to go for prices comparing higher than other bidders; • Though massive asset or commodity purchase is an unavoidable activity within the organisation and may be required to happen in varying intervals, careful plans are put in place before it takes place. 	<ul style="list-style-type: none"> • All assets and commodities owned or under DRA's control are subject to application of storage and stock movement systems. Ions Following considerations apply: <ul style="list-style-type: none"> • Any purchased gifted or otherwise owned or controlled by DRA will go into a Stock Control registrar. All assets or items purchased will be codified or where possible tagged; • Administrators and Store personnel keep up-to-date information on type of commodity, quantity, shelf-life information and any other particularities; • All purchased, gifted or donated commodities and assets are



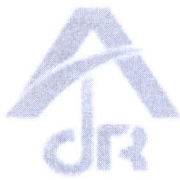
<p>Director and the President are the only signatories authorised to sign on DRA cheques;</p> <ul style="list-style-type: none"> • All issued cheques are photocopied before they are handed over to respective beneficiaries; • Executive Director and authorised budget holders (normally Programme Managers and Coordinators) are the authorizing people. No payment is made without authorisation by respective budget holder manager in charge; • Any payment requires a Payment Request raising and authorisation. PR Forms¹ are available with Accountants and Finance personnel; • No physical cash more than SDG3000 at a time is kept in the office. Field offices and for security reasons they judge ceilings see fit; • A Petty Cash system is operated and small amounts can be made out of the Petty Cash. Office Managers and administrators can approve these 	<p>In such instances, DRA calls for Expression of Bidding Interest (EBI) by qualified bidders to provide that service;</p> <ul style="list-style-type: none"> • Qualified and selected bids (bidders) require a final clearance by the manager in charge. This is to safeguard against nepotism, possible loopholes encountered during the qualification of bids/bidders and ensure organizational satisfaction; • A Bidding Committee (BC) is set by the organisation manage the purchase and bidding process. Qualified bidders selected and made to sign contracts for the provision of the service in question. Necessary collateral and guarantee documents will be collected from successful bidders/suppliers; • No 100% pay of contract value will be made all at once; payment will be portioned until satisfactory receipt of commodity or asset is certified by an officer from the organisation; • No purchase of asset or commodity is made from institutions known or renowned for their proven abuse of women and children or are accused of money laundering, trade in arms or human trafficking; 	<p>dispatched based on approved allocation consignee destinations;</p> <ul style="list-style-type: none"> • Proper documentation of damaged assets and commodities is kept and presented to the management; with adequate explanation; • No unwanted humanitarian goods – expired or shorter shelf-life donated goods, radio-activity suspected goods or any assets/ or goods whose use by our beneficiaries harms them – are accepted in our stores or our commodity or stock control systems; • Disposal or off-writing of DRA assets or assets donated or gifted can only take place if evidence is produce to necessitate that action. For any asset disposal or off-writing, local and national rules and regulations will be adhered to. Authorised committees will be charged with the responsibility
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¹ Petty Cash, Bank Payment, Cash Payment, Payment Request Forms, Payment Voucher Books etc.



<p>payments ;</p> <ul style="list-style-type: none"> • At any end of year an Audit Report is produced by an independent Auditor/Auditing company – next auditing is January 2010. • Weekly – but can also happen on ad hoc basis – cash count is carried out balance books; • Monthly Financial reports are produced by all offices. Monthly reports reflect reported period financial position and help make cash forecast etc, control and manage finances; • Cash transfer between offices is made through banks; no cash in hand is transferred. In situations where it is unavoidable, safest modes of transfer are sought. 	<ul style="list-style-type: none"> • No purchase from army, police or security forces-run plants or companies. Where companies are operating under cover and that DRA personnel are in no way able to establish that link where purchase of asset and commodities from these institutions has taken place, these institutions are immediately dropped from Qualified Bidder/Supplier lists; • Gifted or donated commodities for the use of DRA or its partners are considered as cash worthy items – though no cash value is recorded for them. Such items also receive the same attention. Also not gifts or donations by army/ police and security forces are accepted; • International or regional procurement made in the interest of DRA or its partners will be made through institutions of conviction to humanitarian principles. Partner or donor institutions will be requested by DRA to do so; 	<p>of disposal etc;</p>
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AUTHORISATION POLICY AND PROCEDURES DRA

Financial Procedures steps provide detailed procedures and limits for authorisation of expenses all across DRA. However, every project or programme needs to adapt and implement these procedures on the basis of nature of the programme, the structure of management and other contextual factors within which it operates. A documented Authorisation Procedure is a basic tool for the internal control and administration of any office. This document attempts to provide the correct steps that should be followed Authorisation policy for this purpose deals with authorisation of an activity, which has financial implications to DRA The following principles will govern the Authorisation Policy:

- DRA Executive Director (ED) is the Budget Holder for the Sudan country programme, and all others hold delegated authority. The principle of delegated authority is that it can be sub-delegated only with the knowledge written authority of the ED
- The authorisation includes the authority to commit and bind DRA for a future liability.
- Authorisation needs to take place prior to the activity.
- Every authorisation needs to be based on the Line Management principles.
- Line Managers hold responsibility for all actions having financial implication of their respective staff.

The financial limits for authorisation are proposed as below:

Post Holder	Amount (SDG)	Nature of expenses	Remarks
Executive Director		All, but specifically signing of all contracts, rent agreements, consultancy, etc. Including Donor Contracts	
Programme Manager		All programme related expenses relating to an authorised project.	
Logistics Manager	Upto 5,000	All logistics related budget should be processed after supply authorized provided	Provided the Logistics procedures have been complied with
Project Coordinator	Upto 5,000	For their respective authorised project. management expenses	
Finance Manager	Upto 5,000	Related to any of the above areas provided the respective authoriser is absent.	Provided the respective procedures have been complied with.





1. The Payment Voucher is numbered, dated, with Payee's name, and the amount has been clearly indicated in the voucher.
2. The expense has been authorised as per the authority limits
3. The Payment voucher has been approved.

Managers presented with cheques to sign must satisfy themselves that all DRA procedures and requirements have been complied with while releasing the payments. However, the following minimum mandatory checks need to be performed prior to signing any cheque:

Minimum Mandatory checks by Cheque Signatories:

1. Payment Request needs to be submitted to finance duly authorised as per the above limits for all payments to outsiders.
2. No need for preparing Payment Request Form for payments to staff against their claims. The duly authorised Claim form will serve this purpose.
3. The Payment Voucher will be signed/approved by the finance staff as per the internal limit fixed within the department and informed to all cheque signatories.

Procedure for Authorisation:

1. Orders/expenditures/payments cannot be split in order to fall within authorisation limits.
2. In the absence of post-holder, the person in Acting for the post will assume the authorisation limits. If this is the case, the person who is temporarily handing over this responsibility should put such authorization in writing, clearly indicating for which period this authority applies.
3. Monthly salary payments will be authorised by the ED in Khartoum.
4. Salary advances in Khartoum will be authorised by the ED. The respective Programme Manager will authorise Salary Advances, They can authorise advance amounts of up to 50 per cent of monthly salary to members of staff prior to their payday subject to a maximum of four times during a financial year.
5. Authorisation is done prior to expenditure.
6. The authorisation will be done together with the complete budget code applicable.
7. Nobody will authorise his or her own expenses. These must be authorised by the Line Manager, or the Line Manager's Line Manager.
8. It is a part of 'Best Practices' to sign with date when you authorise any expenditure.
9. Expenses should reach authoriser with recommendation of the Line Manager, when it exceeds the limits set for the Line Manager.
10. If the arrangement is for the cheque to be collected by the payee from our office, it should be organised within 10 days of the date of the cheque. Finance will inform the respective authoriser about any cheque outstanding for more than one week, and it will be cancelled if it is not collected within another one week.

Notes:

4. The cheque is prepared in favour of the same payee as written in the Payment voucher quotation the invoice or supplier request.
5. The amounts in cheque and the Voucher are the same, and the amount written in words on cheque and figures are the same.

Besides above, the cheque signatories have the right to refuse to sign any cheque if they are not satisfied of the genuineness of the transaction or in case they feel that the release of payment has not gone through the required process.

Procedures:

Float Payments: the Line Manager or the Manager's Line Manager should always be the one to approve the float payments request. The Float Request Form will contain details like purpose, dates of travel, date on which float is required, and a certification that no earlier float is outstanding in the name of the same staff. While float should ideally be cleared within a week, of incurring the expenses, we should always make an attempt to clear the float before the end of the month to ensure that we account for the expenses in the same month in which it is incurred. In case float is taken in Avery end of a month and It therefore inevitably spills into subsequent month and it then cleared as soon as float holder returns to office this is extremely important as most of our funds are Restricted Funding.

No Floats shall be left to remain outstanding for more than 30 days should such case exist it must be explained and signed off by the head of office while furnishing the month end documents.

Ticket Booking: Travel is one of the biggest cost heads in DRA. As per procedures, a travel authorisation is required for every travel. However, to start with, it is absolutely necessary that the Ticket Booking request is signed by the concerned Line Manager before it is given to Admin for action.

Logistics Payments: All logistics related payments will be released on receipt of the approved Payment Request form accompanied with the complete payment pack. The payment pack shall ideally comprise:

1. Original valid invoice
2. Goods receipts Note
3. Comparative Bid Analysis
4. Valid Purchase Order
5. Copy of the authorised Supply Request Form

Finance will process payment for settlement of the procurement only on receipt of the payment pack. If payment needs to be released before the final invoice or GRN is received, this will be treated as Advance Payment which should be reflected as the terms of payment agreed and approved in the Purchase Order. Finance will book such payments in the Advance account and it is Logistics responsibility to clear the



advance payments by furnishing the payment pack as above. Finance will furnish a monthly statement to Logistics about pending advance payments.

For meeting expenses for routine purchases of small values, an imprest to be provided to Logistics and Admin Department which will be settled on a weekly basis (Let us fix Sundays for this) . The largest amount of any single transaction for such purchases will not exceed SDG 2,000. There will be internal guidelines set up by Logistics & admin department to effectively manage this activity and the imp rest account.

Review: These authorisation limits and procedures will be reviewed by the Executive Director and Finance Manager on a yearly basis and may introduce revisions/changes as appropriate.

Amendments: This authorisation policy can be amended with the written permission of the Executive Director only.

End/-

