



TAKORADI TECHNICAL UNIVERSITY

FINANCE AND ADMINISTRATIVE POLICY

©Copyright 2016. All rights reserved.

Takoradi Technical University
P. O. Box 256,
Takoradi - Ghana,
West Africa.

Website: www.ttu.edu.gh

Email: info@ttu.edu.gh

Tel: +233 (0) 312 025 162

Fax: +233 (0) 312 025 256

TABLE OF CONTENTS

Introduction	01
Laws Used in Financial Administration	01
Structure of the Directorate of Finance	02
Operational and Systems Control	02
Cash Collection and Deposit Controls	03
Functions of the Finance Committee	11
Accounting Basis	12
Accounting System Used	12
Code of Ethics for Directorate of Finance Staff	13
Financial Administration Workflow	14
Mode of Payment of Allowances	14
Conclusion	15
Schedule of Allowances	15

1.0 INTRODUCTION

Takoradi Technical University as established by the bill to be passed by Parliament as an Act in September 2016 as a full-fledged Technical University deems it appropriate to formulate a policy to govern the Finance and Administration of the University.

Since sound and effective financial management activities are essential to every institution, the Directorate of Finance is an important directorate in the University which requires series of financial regulations, practices and procedures to guide its operations and provide a layout on how the University sources, applies and manages its funds prudently.

This policy has various Standard Operating Manuals (SOMs) with designed Standard Operating Procedures (SOPs) formulated to govern the daily operations of the Directorate of Finance. This policy is generally to be used by the finance and administrative staff and also covers financial and administrative operations for Faculties/ Departments/ Offices/ Directorates/ Sections/ Units.

2.0 LAWS USED IN THE FINANCIAL ADMINISTRATION

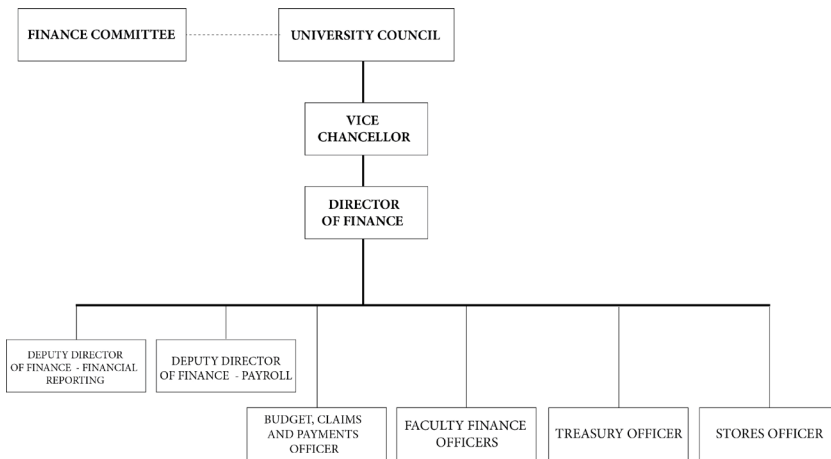
All financial transactions within and involving the University shall be done in accordance with:

- The Technical University Act
- Statutes of the University
- Conditions of Service
- Scheme of Service
- Public Procurement Act 2003 (Act 663)
- National Pensions Act, 2008 (Act 766)
- Internal Audit Agency Act, 2003 (Act 658)
- Audit Service Act, 2000 (Act 584)
- Financial Administration Act, 2003 (Act 654)
- Income Tax Act, 2015 (Act 896)
- Labour Act, 2003 (Act 651)
- Immigration Act 2000 (Act 573)

Insurance Act, 2006 (Act 724)
Fair Wages and Salaries Commission Act, 2007 (Act 737)
NABPTEX Act, 1994 (Act 492)
COTVET Act, 2006 (Act 718)
NCTE Act, 1993 (Act 854)
NAB Act, 2007 (Act 744)
Stool Lands Act, 1994 (Act 481)
Disability Act 2006

3.0 STRUCTURE OF THE DIRECTORATE OF FINANCE

The Finance Office of the Takoradi Technical University has the following structure;



4.0 OPERATIONAL AND SYSTEMS CONTROLS

The Takoradi Technical University shall establish operational and system controls supported and governed by an integrated financial system software (TOPAZ) which is compatible with the Controller and Accountant Generals Department's Ghana Integrated Financial Management Information System (GIFMIS).

All financial management centres of the University shall be networked and integrated into the central administrative point of

the Directorate of Finance with mandated controls for data input, analysis and reporting.

5.0 CASH COLLECTION AND DEPOSIT CONTROLS

This section defines and outlines the University's cash flow and receipts providing guidelines for the prudent management of funds handled by staff assigned by the Directorate to receive, handle, safeguard and deposits cash and cash equivalents on daily basis as enshrined within the Financial Administration Regulations (FAR).

5.1 Cash Handling

The collection and control of cash at Takoradi Technical University are very important functions. Cashiers (Receivables) are the University's primary cash handling officers. The University shall control the collection of cash through a centralized point with receipts generated or casted from the system with controls on daily basis.

Purpose: The SOMs of the Finance and Administrative Policy provides direction for the Directorates/ Faculties/ Departments/ Offices/ Sections/ Units/ Centres/ Institutes through the SOPs for effective and prudent cash handling of the University.

Persons/ Responsible Areas: All Directorates/ Faculties/ Departments/ Offices/ Sections/ Units/ Centres/ Institutes receiving cash and cash equivalent payments shall conform to the mandated level controls as required by the Directorate.

Standard Operating Procedure (SOP)

1. All revenue receivables shall be acknowledged, receipted and captured into the cash receipt systems database on daily basis.
2. Cash shall never be unattended. This applies to cash registers and cash drawers. All assigned staff shall not under any circum-

stances whatsoever leave his or her work station regardless of how brief his/her absence may require, shall always keep cash in safes under locks.

3. Assigned staff shall not permit unauthorised persons within the areas segregated for cash handling.

4. Reinforced doors shall be installed with good locks at all times in the areas segregated for cash handling.

5. Bulk cash shall be counted and handled out of sight of the general public.

6. Assigned staff shall always keep working cash within the controls and limits set for petty cash management.

7. Cash received shall not be used for making change, petty cash purposes, etc. Expenditures or refunds cannot be made from cash receipts.

8. Unbanked daily cash received shall be kept in a Safe under locks.

9. All assigned staff shall, under no circumstances, deposit University funds in his/her personal bank account or home for safe-keeping.

10. The University shall arrange with its Bankers to assign Cashier(s) to be stationed at the Finance Directorate for the collection of funds and direct payment into the University's account.

Deposits

Purpose: The Directorate of Finance shall exclusively provide direction for Directorates/ Faculties/ Departments/ Offices/ Sections/ Units/ Centres/ Institutes in the forwarding of funds to the Cashier's Office for recording and outline specific proce-

dures for use.

Persons/ Responsible Areas: All Directorates/ Faculties/ Departments/ Offices/ Sections/ Units/ Centres/ Institutes receiving cash deposits and payments shall comply with the directives of the Directorate of Finance as follows;

Standard Operating Procedures (SOPs):

All Directorates/ Faculties/ Departments/ Offices/ Sections/ Units/ Centres/ Institutes shall deposit funds received within one (1) business day after collection or receipt of such funds.

1. Funds held overnight shall be secured in Safe under locks.
2. All cheques shall be properly endorsed before receipt.
3. Expenditures or refunds shall not be made from cash receipts.

Accepting Monies and Payments

Currency Payments

All currency received shall be receipted Just-on-Time (JOT) and captured onto the system sequentially, and pre-numbered cash receipts generated or casted from the system through the cash register. Currency shall be counted in the presence of the person presenting it for payment. A copy of the receipt shall be given to the person effecting the payment.

Cheque Payments

1. All cheques received in-person or through the post, shall be restrictively endorsed immediately. All customers shall receive pre-numbered system generated or casted receipts from the system or manually serialized receipt. All cheques received shall be deposited at the Cashier's office or paid directly and immediately to the University's resident banker stationed at the Directorate of Finance.

All cheques or banker's drafts shall be reviewed for completeness as follows:

-
1. Verify that Account holder's name, address, and phone number are eligibly stated on the cheque. A daytime phone number is preferred.
 2. Verify that the cheque has a bank name listed, and that the routing number, customer's bank account number, and cheque number are encoded on the bottom edge of the cheque.
 3. Note the date. Do not accept a postdated cheque or agree to hold the cheque for future deposit.
 4. Verify that the amount written in figures matches amount written in words. If different, make special note on the cash receipt so that the Cash Office can handle appropriately.
 5. All cheques received shall be forwarded to the Directorate of Finance and managed by the assigned responsible officer.
 6. Cheques paid into the account of the University which are dishonoured by the issuers' bank shall be immediately reported to the Director of Finance who shall take the matter up with the issuer. Cases of dishonoured cheques may be referred to the University's Solicitor & Advocate. All charges incurred in the correction of the cheque shall be borne by the issuer.

Segregation of Duties

The Directorate of Finance shall separate the duties between the assigned staff receiving cash and the officer responsible for capturing the accounting records and accounts payables. Cash receipt activity shall be reconciled to the Budget Statements monthly. The reconciliation shall be reviewed by an independent assigned officer responsible for the cash handling or recording functions.

The following responsibilities shall be distributed among the staff so that no individual staff shall be responsible for all aspects:

1. Receiving cash
2. Endorsing cheques
3. Making deposits
4. Reconciling to budget statements

Custodian of University Cheque Books

The Director of Finance shall be the exclusive custodian of all the University's bank cheque books. There shall be a record book for capturing all cheque books received with its requisite serial numbers for specific referencing. All cheque books shall be kept in a Safe under secured lock.

University Bank Account Signatory Mandates

There shall be key persons of the University who shall be mandated by the Council to sign cheques for payments on behalf of the University. All particulars including biodata of such mandated Officers shall be kept at the Registry. The following key Officers shall be;

1. The Vice Chancellor
2. The Director of Finance
3. The Pro Vice Chancellor
4. The Deputy Director of Finance

Signature Mandates

The Rector shall be the primary signatory to all the University's bank accounts or in his absence, the Vice Rector shall act in his capacity. The cheques shall be co-signed by the Director of Finance or in his absence the Deputy Director of Finance.

Authorisation for Payment

Before any payment shall be made in the University, a request shall be made to the spending officer (the Rector), who shall channel it

through the appropriate units and subsequently to the Directorate of Finance where a payment voucher shall be raised for that particular claim. The payment voucher shall be sent to the Internal Audit Unit of the University for pre-auditing and sent back to the Rector for final authorization. After the Rector has given a final authority for the claim to be paid, the payment voucher shall be forwarded to the Director of Finance for payment to be effected.

These procedures shall be also systemized by the installed integrated Topaz Accounting Software where such approval authorizations shall be made soft on the system.

Payment Procedures

Payment activities are essential part of financial operations and shall remain the core responsibilities of the Directorate of Finance, the Procurement Office and Stores Unit of the University. These offices shall be the points of contact for all centralized procurement. Payments shall be initiated after the audit of the procurement procedures and stores confirmed receipts of audited consignments.

Considerable authority has also been delegated to Faculties and Departments to make minor purchasing and payments decisions. However, this shall require that staff involved at every step of the process shall take full responsibility for understanding the University's policies and procedures regarding purchasing and payments.

Payment to Suppliers

All suppliers of Takoradi Technical University shall be paid within or by thirty (30) working days from the date of supply.

Payment of Allowances

The institution shall pay sitting and travelling allowances to all members of the under listed committees and other authorised committees at the close of every meeting as approved by Council;

Committees of Council

- a. Finance Committee
- b. Development Committee
- c. Appointments and Promotions Board
- d. Audit Report Implementation Committee
- e. Entity Tender Committee

Committees of Academic Board

- a. Executive Committee
- b. Planning and Resources Committee
- c. Library Board
- d. Time Table Committee
- e. Joint Admissions Board
- f. Publications Board
- g. Research and Conference Committee
- h. ICT Board
- i. Industrial Liaison Committee
- j. Students Affairs Committee
- k. Academic Quality Assurance Management Committee
- l. Governing Board – Bachelor of Technology Programmes

Committees under the Office of the Vice Chancellor

- a. Residence Committee
- b. Housing Committee
- c. Health Committee
- d. Disciplinary Committee
- e. Public Relations Committee
- f. Sports and Recreation Committee
- g. Governing Board for Income Generating Units in the University
- h. Campus Security Committee
- i. Estate Management Committee
- j. Budget Committee

Moreover, the University shall also pay quarterly allowances to

members of the committees listed below;

- a. Council
- b. Finance Committee
- c. Audit Report Implementation Committee
- d. Development Committee
- e. Entity Tender Committee

Payment Claims

All new claims within the University effective the date of the adoption of this policy shall be paid within fourteen (14) working days. Minor claims shall be classified as payment claims not above Three Thousand Ghana Cedis (Gh¢ 3,000.00) and this shall be paid within fourteen (14) working days.

Major claims shall be classified as payment claims above Three Thousand Ghana Cedis (Gh¢ 3,000.00) and this shall be paid within twenty-one (21) working days.

FINANCIAL OBLIGATIONS OF COUNCIL

The Takoradi Technical University Statute 2016 stipulates in part that,

1. Without prejudice to the generality of the powers of the Council as provided by the Act and these Statutes, the powers and functions of the Council shall include the following:

- a. Manage the finances and fixed assets of the University;
- b. Consider and approve annual estimates of income and expenditure of the University;

2. The Council shall determine the allocation of all recurrent funds at the disposal of the University.

3. The Council shall determine annually, the expenditure necessary for the development of the University.

4. The Council shall prescribe the manner and form in which units of the University shall submit accounts or estimates of income and expenditure.

FUNCTIONS OF THE FINANCE COMMITTEE

The Takoradi Technical University Statute 2016 stipulates that;

1. There shall be a Finance Committee of the Council which shall have powers to recommend the following.
 - a. Investment and otherwise management of the University's fund.
 - b. The expenditure or authorization of persons or bodies to incur expenditure from University's fund including any income accruing to any section of the University.
 - c. Control and regulation of such expenditure by means of annual and other budgeting, by making allocations subject to any conditions it may determine and by such means as it may deem fit.
 - d. The approval of annual estimate for transmission to Government on behalf of the Council.
 - e. The preparation of the annual accounts of the University for the approval of the Council.
 - f. The functions assigned to it in the University's Financial and Stores Regulation.
 - g. Any other functions delegated to it by the Council.
2. The composition of the Finance Committee shall be as specified in Schedule A of the University Statutes.

All issues concerning finance shall be referred to the Finance Committee first for consideration. The Finance Committee shall recommend to Council for approval of all issues brought before it.

ACCOUNTING BASIS

The Directorate of Finance shall use a modified accrual system of accounting. Modified accrual accounting is an accounting method commonly used by government agencies that combines accrual-basis accounting with cash-basis accounting. Modified accrual accounting recognizes revenues when they become available and measurable with few exceptions and recognizes expenditures when liabilities are incurred. This system divides available funds into separate entities within the organization to ensure that the fund is being spent where it was intended.

ACCOUNTING SYSTEM USED

Manual reporting

The Directorate of Finance shall use the manual form of reporting which is a paper-based record keeping system. This manual record keeping involves;

- a. Sorting and storing all paperwork, receipts and payments in 12 separate months.
- b. Keeping all original documents and dating all correspondence.
- c. Recording all transaction dates and payment amounts.
- d. Backing up all electronic records on an external hard disk drive or other secured and protected storage devices.
- e. Capturing all income and expenses in statements from all University's banks and other accounts.
- f. All statements and bills shall be presented on monthly basis

for reconciliation.

Mechanised Accounting System

The University shall install an automated and integrated accounting software (Topaz) for the capturing, management and casting of electronic receipts and transactions on a daily JOT basis. There shall be mandated controls on the system for access and inputs of financial data and transactions of the University. The ICT Services shall take instructions from the Director of Finance and the Rector in providing responsible staff access onto the Topaz system administration.

CODE OF ETHICS FOR DIRECTORATE OF FINANCE STAFF

There shall be the University Finance and Administration Code of Ethics to guide all staff at the Directorate of Finance in the conduct of their daily duties.

The following shall be the fundamental principles of the Code of Ethics to guide all staff at the Directorate of Finance;

- a. Integrity* – To be straight forward and honest in all professional and business relationships.
- b. Objectivity* – Not to allow bias, conflict of interest and undue influence of others to override professional and business judgments.
- c. Professional Competence and Due Care* – To maintain professional knowledge and skill at all levels required to ensure that a client or staff receives competent professional service based on current development and practice.
- d. Confidentiality* – To respect the confidentiality of information acquired as a result of professional and business relationships and therefore not disclose any such information to third parties without proper and specific authorization.

-
- e. Professional Behaviour* – To comply with relevant laws and regulations and to avoid any action that discredits the profession.

FINANCIAL ADMINISTRATIVE WORKFLOW

The Director of Finance shall ensure that all tasks, transactions, request, etc initiated shall be completed within forty-eight (48) hours and communicated accordingly. He shall ensure that all transactions are given equal importance and attention to ensure smooth workflow. The Director of Finance shall query all staff who by omission or commission delay or put up an unprofessional attitude in handling of financial transactions shall appropriately refer such staff for the requisite action to be taken.

In the case where such omission or commission emanates from the Director of Finance the complaint shall be before the Rector/ Council for the necessary actions to be taken.

MODE OF PAYMENT OF ALLOWANCES

Council and Sub Committees

Payment transactions shall be requested by the Registrar/ Secretary timeously, approved by the Vice Chancellor or the Pro Vice Chancellor and the Director of Finance shall be advised to arrange for the payment of such approved allowances immediately after sitting.

Other Committees

Payment transactions shall be requested by the Secretary timeously, approved by the Rector or the Vice Rector and the Director of Finance shall be advised to arrange for the payment of such approved allowances immediately after sitting.

CONCLUSION

This policy shall serve as a guiding document for all the activities of the operations of the Directorate of Finance and shall be complied with at all levels of the Directorate.

SCHEDULE OF ALLOWANCES

Council

S/N	ITEM	EXISTING PAYMENT	JUSTIFICATION/ REMARKS
1.	Night Allowance	Chairman - GHC350.00 Members - GHC300.00	To meet the rates of standard hotels which provide adequate security to officers and their valuables that they travel with.
2.	Kilometric Allowance	GHC2.50 per kilometer	Government approved
3.	Sitting Allowance	Chairman - GHC550.00 Members - GHC500.00	Government approved
4.	Quarterly Allowance	Chairman - GHC1,650.00 Members - GHC1,500.00	To compensate for duties that will be performed by members in the course of the year outside regular Council meetings.
5.	Telephone	Chairman - a postpaid shall be made available at GhC 100 per month.	This will facilitate communication between the Chairman on the one hand, and Management as well as other Council members on the other.
6.	End-of-Service Benefits	Members would be paid three (3) sitting allowances for every year served on Council	i. Condition exists in other Universities. ii. To ensure uniformity in the payment of end-of-service benefits.

