

FINANCE, PROCUREMENT AND ADMINISTRATION POLICY

Last Updated: August 2023

This policy serves as a reference and guideline for management, supervisors, new and existing accounting staff, auditors, and as a basis for staff training to ensure proper controls and procedures are in place regarding Think Education's finance, procurement and administration.

Finance Procedures

Budgeting

1. All expenses in the transaction sheet and monthly reports shall be recorded in the appropriate accounts.
2. Monthly reconciliations shall be conducted for all accounts.

Reconciliation

Reconciliation shall be completed monthly by the Admin and Finance officer.

Signature Authority

The following individuals have signatory authority as co-signatories on Think Education's bank accounts:

- i. The Program Lead
- ii. The Director in charge of Finance

Salaries

1. The Program Lead is responsible for preparing and approving salaries.
2. No salary or contractor payment shall be made in cash.
3. All salaries will be paid to staff's bank accounts.
4. Any changes to the staffing structure must be communicated to the GRA, SSNIT, and PAYE offices through formal letters.
5. Salaries will be paid by the 30th of each month.
6. The Program Lead is responsible for the final approval and payment of salaries.

Advance Payments to Vendors/Staff

Advance payments shall only be made with written or email approval from the Program Lead.

Staff Loans

No loans shall be disbursed to staff at any level in the organization.

Deductions for Unlimited Use + Unforeseen Deductions:

1. The Admin and Finance officer is responsible for tracking and ensuring deductions are taken from salaries.
2. An email communication explaining the reason for each deduction is required.

Accounting and Audit:

1. The Admin and Finance officer is responsible for preparing the management report, including the Profit and Loss (P&L), balance sheet, and cash flow statement at the end of each month.
2. The Admin and Finance officer shall lead the audit process.

Bank Reconciliation:

1. The Admin and Finance officer shall complete bank reconciliation on a monthly basis.
2. This should be completed by the 5th of the following month.

Chart of Accounts:

1	Personnel Costs
100	Salaries
101	Stipends

2	Program and Project Expenses
200	Program Materials
201	Program Software
202	Training and Professional Development

3	Administrative/Office Expenses
300	Office Rent
301	Utilities
302	Internet/Telephone
303	Office Supplies
304	Office Equipment
305	Furniture
306	Maintenance
307	Administrative and Legal Fees

4	Travel and Transportation
400	Travel Expenses
401	Transportation Costs

5	Communication and Outreach
500	Marketing and Communication
501	Website and Social Media
502	Outreach collateral

6	Partner Engagement
600	Partner Meetings and Workshops

7	Professional Services
700	Consultants and Experts
701	Workshop Facilitators

8	Team Building and Events
800	Stipends
801	Meals

9	Miscellaneous
900	Bank Charges (includes Momo)
901	Other Miscellaneous

PAYE and With-Holding Taxes

1. Taxes will be paid in accordance with legal timelines.
2. The Admin and Finance officer is responsible for timely tax payments to avoid penalties.

Cheques Tracking and Signing:

1. Checks should be recorded in the month they were written.
2. Checks will be signed only on Tuesdays unless approved by the Program Lead.
3. All documentation, including requisitions and invoices (or email trails/asana tasks in the absence of invoices), must be reviewed by the finance officer before payment.

Supporting Documents (Receipts, Invoices, etc.)

Supporting documents for all expenses should be saved using the following format:
Check123/Vodafone/March2020/INV for invoices and Check123/Vodafone/March2020/RC for receipts.

Allocation Sheets

1. All bulk payments for goods (e.g., fuel, phone credit, mobile phones) used by staff must have an allocation sheet.
2. Cost of items should be allocated to staff based on the time-allocation percentage schedule.
3. Allocation sheets should be saved in the format: Check123/Vodafone/March 2020/Allocation.

Reporting

1. By the end of each quarter, financial reports should be shared with the Board via a file-sharing link.
2. Reports for the previous quarter must be sent to the Board by the 15th of the new month.
3. Month-end reports should include:
 - a. Salary report
 - b. Transactional report
 - c. Supporting documents
4. The Admin and Finance officer is responsible for the accurate representation of financial information.
5. The Admin and Finance officer is also responsible for ensuring expenses align with the budget. Exceptions require an email requesting approval, which should be saved as a PDF in the appropriate folder.

Requisition/Requests:

1. Staff shall make all requests via Asana/email with all supporting documents.
2. If there are no supporting documents, the Program Lead shall approve the request.
3. During an audit, the Program Lead is responsible for providing information/support/explanation.
4. The Program Lead can deny requests if the budget line has been exhausted, suggesting a new payment date when necessary.

Documentation

Receipts/Invoices

1. All receipts and invoices shall be submitted to the Admin and Finance officer.
2. Documentation should be scanned and saved in the appropriate folders on Google Drive.

Expense Reports and TREK Booklets

1. All officers handling cash must record TREK transactions in Google Sheets.
2. The Admin and Finance officer shall document all transactions in the appropriate Google Drive sheet.

Vendor Management:

Vendor Identification

1. Staff can refer vendors but will not influence the selection process.
2. Full disclosure is required when the vendor is a family member.
3. The admin officer is responsible for identifying new vendors.

Checklist for New Vendor Agreements

1. Copy of ID (Fill form)
2. Business TIN number (Fill in form)
3. Business registration form (Scan it)
4. Business location
5. Contact numbers of key people
6. With-Holding Tax (WHT) deduction percentage calculated
7. WHT code assigned
8. Type of goods/services to supply
9. Mode of delivery of goods/services

Database

1. All vendor agreements should be scanned and saved in Google Drive.
2. Think Education shall source materials and services only from vendors listed in the vendor database during the high season (October-June).

Petty Cash

Petty cash is used for unforeseeable expenses, primarily related to travel. The Program Lead is responsible for disbursement.

1. All petty cash expenses shall be recorded in the expense reports.
2. Staff preparing petty cash requests shall email the requests to the Program Lead.
3. Petty cash can be used for small team bonding sessions.
4. All holders of expense reports MUST submit receipts for ALL transactions.
5. Officers are encouraged to keep petty cash balances as low as possible.
6. Petty cash must always be kept in Mobile Money or Cash.
7. Petty audits may be conducted randomly, and immediate transfers can be requested.
8. Failing to produce cash during an audit is considered theft and can result in immediate dismissal.
9. All petty cash must be transferred when going on leave.

• **Travel**

1. All documentation, receipts, and expense reports must be updated and submitted during the monthly petty audit.
2. Petty cash shall cover travel-related expenses that cannot be determined in advance.

Payments (Vendor & Petty Cash)

1. The Admin and Finance officer shall prepare payments and attach supporting documents.
2. Payments will be authorized only when all required documentation is provided.
3. Cheques will be issued in the name on the invoice.
4. Each transaction shall include the following (in that order):
 - Invoice
 - Asana requests/Email
 - Receipt
5. Taxes will be deducted from the invoice amount where applicable before payment.
6. Recurring payments (e.g., fuel, telephone) should be prepared and paid at least 5 days in advance before the current package expires.

Procurement and Warehousing

1. Procurement of goods/services should be transparent, accountable, and competitive to ensure efficient fund utilization and quality assurance.
2. Think Education will only engage with registered organizations with tax numbers.

Procurement Timelines:

- Small: Total of 2 working days
- Large: Total of 3 working days

Guide:

Large procurement involves items over Ghc 1000 per item and requires obtaining 3 quotes from different suppliers unless dealing with a recognized supplier in our database. In cases where 3 quotes cannot be obtained, the Admin and Finance officer must email the details of due diligence to the Program Lead for approval. Evaluation of suppliers should consider quality, price, tax compliance (WHT), warranty, and delivery.

Special Events (EWF, End of Year packages, etc.):

- Identify a vendor from which supplies can be purchased.
- Sign a contract with the potential vendor.
- Ensure vendor compliance with withholding tax requirements.
- Vendors must provide all necessary documentation.
- Ensure timely delivery.
- Payment will be via check/bank transfer for recognized or contracted vendors, except for travel/accommodation (see section on petty cash).

Warehousing:

- All supplies received must be checked against goods received notes (GRN).
- Proper documentation must accompany supplies.
- Stock levels must be monitored to prevent shortages.

Asset Documentation and Disposal:

Documentation and Assignment:

1. All fixed assets belonging to Think Education shall be registered, assigned, and monitored in the asset register (e.g., laptops, furniture, mobile phones).
2. Asset assignments will be made by the Program Lead and remain the property of Think Education.
3. Staff are responsible for the proper care and safety of organizational assets.
4. The organization's policy on asset care applies.

Disposal & Depreciation:

1. The sale of office property must be discussed with senior management and reasons for disposal justified.
2. The Program Lead shall authorize asset disposal in writing (email/letter) with approval from the Board of Directors.
3. Assets must be properly documented before disposal.
4. The straight-line method of asset depreciation shall be used.
5. The useful life of fixed assets shall be reevaluated at the end of each financial year, and changes shall follow accounting standards (IAS 8).

This revised Finance, Procurement, and Administration Policy is effective immediately and supersedes all previous versions. Compliance with this policy is essential to maintain the financial integrity and transparency of Think Education.