



# **LEGAL SERVICES FACILITY**

**BASKET FUND**

**FINANCE AND PROCUREMENT**

**MANUAL**

**JUNE 2013**

## TABLE OF CONTENT

<b>1. INTRODUCTION.....</b>	<b>5</b>
1.1. Purpose of the basket fund .....	5
1.2. The mandate for carrying out the programme.....	6
1.3. The purpose of the basket fund finance and procurement manual.....	6
1.4. Related guidelines and procedures.....	6
1.5. Commencement .....	7
<b>2. CONTENT AND PRINCIPLES OF THE MANUAL.....</b>	<b>7</b>
2.1. Content of the manual .....	7
2.2. Other relevant manuals .....	7
2.3. Principles.....	7
<b>3. GUIDELINES AND AMENDMENTS .....</b>	<b>8</b>
3.1. General guidelines .....	8
3.2. Amendment of the manual .....	9
<b>4. ENTRY TO AND DEPARTURE FROM THE BASKET FUND .....</b>	<b>10</b>
4.1. Entry .....	10
4.2. Departure.....	11
<b>5. PROGRAMME PLANNING AND BUDGETING.....</b>	<b>12</b>
5.1. Planning and budgeting.....	12
5.2. Budget reallocations.....	13
5.3. Unexpended funds and overspending.....	13
<b>6. FINANCIAL PROCEDURES.....</b>	<b>14</b>
6.1. General.....	14
6.2. Bank guidelines and procedures .....	15
6.3. Cheque payments .....	16
6.4. Cash payments (other than for office petty cash) .....	19
6.5. Authorised signatories .....	20
6.6. Cheque book control & maintenance.....	20
6.7. Control of cancelled and stale cheques .....	21
6.8. Cash book.....	22
6.9. Receipts (cheque and cash) .....	22
6.10. Receipt book control and maintenance.....	23
6.11. Payment/deposit vouchers (cheque or cash)-(annex 2 and 4).....	23
<b>7. PROCUREMENT OF GOODS AND SERVICES .....</b>	<b>24</b>
7.1. Purchasing (procurement up to us \$ 10,000) .....	24
7.2. Restricted tendering (from us \$ 10,000 – 50,000) .....	25
7.3. Open tender (us \$ 50,000 up to below 200,000).....	28
7.4. Receipt of goods and supplies .....	28
7.5. Treatment of value added tax (vat) payments.....	29

<b>8.</b>	<b>MANAGEMENT INFORMATION AND REPORTS .....</b>	<b>30</b>
8.1.	Principles of financial management reports .....	30
8.2	Quarterly, Semi-Annual and Annual Financial Management Reports.....	30
8.4	Next Financial Year Budgets .....	31
8.5	Annual External Audit .....	31
8.6	Audit Management Letter .....	32
<b>9.</b>	<b>CUSTODY OF FINANCIAL DOCUMENTS AND ARCHIVING .....</b>	<b>32</b>
9.1.	Documents Register .....	32
9.2.	Financial Information Archives .....	33
	Annex 1: Chart of Accounts .....	34
	Annex 2: Deposit Voucher .....	38
	Annex 3: Payment Requisition .....	39
	Annex 4: Payment Voucher.....	40
	Annex 5: Acknowledgement Of Receipt Of Payment.....	41
	Annex 6: Imprest/Advance Application Form.....	42
	Annex 7: Employee Expenditure Return Form.....	43
	Annex 8: Journal Voucher .....	44
	Annex 9: Document Register .....	45
	Annex 10: Local Purchase Oroer.....	46
	Annex 11: Procurement Request.....	47
	Annex 12: Bank Reconciliation Statement.....	48

## **ABBREVIATIONS**

BF	BASKET FUND
BOT	BANK OF TANZANIA
CBO	COMMUNITY BASED ORGANISATION
CSO	CIVIL SOCIETY ORGANISATION
FAM	FINANCE MANAGER
FIFO	FIRST IN FIRST OUT
FIMS	FINANCIAL INFORMATION MANAGEMENT SYSTEM
FM	FUND MANAGER
GMM	GRANTS MANAGEMENT MANUAL
GoT	GOVERNMENT OF TANZANIA
GRN	GOODS RECEIVED NOTE
IFRS	INTERNATIONAL FINANCIAL REPORTING STANDARDS
LSF	LEGAL SERVICES FACILITY
LSPs	LEGAL SERVICES PROVIDERS
LPO	LOCAL PURCHASE ORDER
MoFED	MINISTRY OF FINANCE
NBAA	NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
NGO	NON GOVERNMENTAL ORGANISATION
NSSF	NATIONAL SOCIAL SECURITY FUND
PAYE	PAY AS YOU EARN
PGB	PROGRAMME GOVERNANCE BOARD
PR	PURCHASE REQUISITION
SRIV	STORES REQUISITION/ISSUE VOUCHER

## **1. INTRODUCTION**

### **1.1. Purpose of the Basket Fund**

In July 2011 a development cooperation agreement, the Tanzania Support to Governance Programme 2011-2015, was signed between the Governments of Tanzania and Denmark. Under the legal sector component of this agreement it was agreed to establish an independent legal aid basket fund in the name of Legal Services Facility (LSF).

### **Overall Objective of the LSF**

Promoting and protecting human rights for all, particularly for poor women, children and men and the vulnerable, including people living with HIV/AIDS.

### **Specific Objective of the LSF**

To establish a funding vehicle to provide grants fairly and efficiently according transparent criteria for the promotion of legal aid and paralegal organisations according to their proper objectives and strategies.

### **Outcomes, outputs and activities**

The expected long term outcomes of the Legal Services Facility are:

- Legal aid and paralegal services enhanced in quality and quantity, covering all districts of the country, improving access to justice for the poor and vulnerable;
- Government responsibility for legal aid provision, incl. paralegals, formalised through legislation and institutionalised;
- Innovative approaches to legal services provision supported;
- Advocacy and legal skills of legal aid and paralegal service providers improved;
- Enhanced awareness about the role and importance of legal aid and paralegal services amongst public and private legal sector stakeholders.

The expected outputs for the LSF are:

- A basket fund with the LSF as immediate beneficiary set up and functioning;
- Increased availability and coverage of legal aid and paralegal services in Tanzania;
- Improved institutional and technical capacity of legal aid and paralegal service providers in Tanzania;
- Pro-poor regulation and monitoring of legal aid and paralegal services enhanced.

Based on the above the LSF will be implemented through 3 interconnected clusters of activities:

- Grant making;
- Capacity building;
- Facilitation of and engagement in coordination of legal aid, relevant policy dialogues and advocacy.

The LSF will support organizations that assist individuals, groups and communities to claim their rights redress grievances, and which protect fundamental human rights both on Zanzibar and Tanzania mainland.

## **1.2. The Mandate for carrying out the Programme**

Responsible for carrying out the Programme is NIRAS of Denmark (in joint venture with Particip of Germany), who has a contract for the purpose with DANIDA, which is called: Fund Manager for Legal Services Facility.

On a day to day basis the Programme will be implemented under the responsibility of the Tanzania based Fund Manager (FM), who heads the LSF Secretariat.

The LSF Governing Board will guide and oversee the Fund Manager and Secretariat.

The Basket Fund Committee (BFC), consisting of the contributors to the basket fund, will be the final authority as regards the Programme Implementation Plans and Budgets.

## **1.3. The Purpose of the Basket Fund Finance and Procurement Manual**

This Basket Fund Finance and Procurement Manual (the 'Manual') sets out the financial and procurement guidelines and procedures to be followed by the LSF in utilising the resources made available to the basket fund by the Basket Fund Partners (BFPs, e.g. the Government of Denmark).

The responsibility to execute and administer the financial and procurement guidelines and procedures in this Manual lies with the Fund Manager of the LSF, who will be supported, guided and overseen by the Governing Board.

## **1.4. Related Guidelines and Procedures**

In order to put the Manual in context, it will have to be read in conjunction with:

- The Tanzania Support to Governance Programme 2011-2015;
- The Terms of Reference for Fund Manager for the Legal Services Facility;
- The Memorandum of Understanding for the LSF basket fund;
- The LSF Grants Management Manual.

### **1.5. Commencement**

This **Basket Fund Finance and Procurement Manual** will come into force upon approval by the relevant authorities (BFC / Lead Donor), but will apply equally to basket fund financial transactions before and after the date of approval.

## **2. CONTENT AND PRINCIPLES OF THE MANUAL**

### **2.1. Content of the Manual**

The Manual is intended as a handbook for easy reference and interpretation of financial guidelines, procedures and regulations of the LSF. It has been developed to assist the user in meeting the special accounting and reporting requirements of the programme in alignment with these financial guidelines. The stated systems and internal control checks, however, are mandatory.

The Manual lays down the financial and procurement guidelines and procedures to be followed by the LSF and spells out regulations that will allow smooth programme implementation with Legal Aid Providers (LAPs), Paralegal Organisations and possibly other Civil Society Organisations (CSOs) which are to benefit from the programme.

The Manual also defines the finance regulatory framework for activities undertaken by the LSF Secretariat itself, using the resources of the basket fund.

It also provides a practical guide to incorporate effective internal controls.

All guidelines and procedures in this manual comply with Generally Accepted International Accounting Principles.

### **2.2. Other relevant Manuals**

A separate Grant Management Manual and Grantee Accounting Manual will ensure that all funds spent by grantees are properly authorised, recorded and supported.

### **2.3. Principles**

The resources of the basket fund must be used in accordance with principles of sound financial management, i.e. the principles of economy, efficiency and effectiveness:

- The principle of economy requires that the resources used for the pursuit of activities will be made available in due time, in appropriate quantity and quality and at the best price.
- The principle of efficiency is concerned with the best relationship between the resources employed and results achieved.
- The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Sound financial management is based on the formulation of realistic and relevant objectives for the programme, the achievement of which can be monitored via verifiable and measurable indicators as e.g. provided in the LSF logical framework. This will allow that financial management goes beyond means-based management towards results-oriented management. Continuous monitoring and evaluation are therefore crucial throughout the programme period.

### **3. GUIDELINES AND AMENDMENTS**

#### **3.1. GENERAL GUIDELINES**

- 3.1.1 All resources (financial and non financial) of the basket fund must be used in accordance with the principles of economy, efficiency and effectiveness (refer to section 2.3).
- 3.1.2 In pursuance of the above principles the Fund Manager will ensure that proper books of accounts are kept with respect to all sums of money received and expended by or on behalf of the basket fund. This equally applies to the proper recording and/or storage and maintenance of assets and liabilities acquired by utilizing basket fund resources, by either the LSF Secretariat or grantees during the implementation of the programme.
- 3.1.3 The books of accounts will be kept in such a manner as to give a true and fair view of the state of the basket fund's financial affairs and its cash flows.
- 3.1.4 All transactions will be recorded on a cash basis. This means that all expenses incurred shall immediately be posted to their respective ledger account categories once the payment is made i.e. a cheque has been signed and issued.

- 3.1.5 All transactions will be properly posted to the Chart of Accounts (Annex 1).
- 3.1.6 Once a year an evaluation of internal control procedures will be carried out by one or two financial specialists from the partners contributing to the Basket Fund, to ensure adherence to the accounting principles and procedures. The efficacy of the internal controls in place will be evaluated and suggestions will be made to the Fund Manager where identified weaknesses need to be addressed and/or this Manual amended.
- 3.1.7 The financial year of the LSF will be the calendar year. An external audit will be undertaken in the first quarter after the previous financial year. External auditors will be proposed by the Board to the Basket Fund Committee for approval. BFP's will be consulted in the formulation of the ToR for the audit.
- 3.1.8 The external auditors will minimally submit:
- Audited financial statements and auditors' report;
  - The financial statements shall include a balance sheet, income and expenditure statement and a fund flow statement;
  - Appropriate and complete notes (included in the financial statements);
  - A management letter;
  - Any other reports as may be deemed appropriate.
- 3.1.9 The LSF will provide financial reports according to International Financial Reporting Standards.
- 3.1.10 The Fund Manager is responsible for adherence to the guidelines and regulations in this Manual, and will be assisted by the Finance Manager.

## **3.2. AMENDMENT OF THE MANUAL**

- 3.2.1 The Manual is intended to deal with the financial management aspects of the LSF Secretariat and projects and activities under grants issued by the LSF. Any suggestions for changes in the Manual will be reported to the Finance Manager who will take up the matter with the Fund Manager.
- 3.2.2 The Fund Manager is responsible for managing the process of amendments to the Manual.

- 3.2.3 Every proposed amendment to this manual is to be presented to the Board for review and approval. In case the Board approves, the amendment will be implemented after the 10 working day period mentioned in 3.2.4.
- 3.2.4 The BFC committee members will be informed in writing of any amendment approved by the Board. In case after 10 working days no objection has been received by the LSF the amendment is considered approved by the BFC. In the bi-annual BFC meeting the amended manual shall be presented to the members.
- 3.2.5 In case one or more members of the BFC issue an objection, the amendment will not be implemented and the case will be referred to the first BFC meeting.

## **4. ENTRY TO AND DEPARTURE FROM THE BASKET FUND**

### **4.1. ENTRY**

- 4.1.1 Contributions to the basket fund can be made at any time by any Development Partner who is accepted by the BFC. The BFC will inform the Fund Manager in writing about the new Basket Fund Partner (BFP) and the amount that will be contributed for which period. The new BFP will confirm in writing, after signing the Memorandum of Understanding (MoU) for the basket fund, its contribution to the Fund Manager.
- 4.1.2 As a principle, contributions for the basket fund will not be 'earmarked'. Upon entering the basket fund any new BFP accepts the LSF Programme Implementation Plan, running Annual Plan, accounting principles, types and frequency of reports.
- 4.1.3 In case the new BFP requires, in addition to becoming a signatory to the MoU, a bilateral agreement with the LSF, then this is possible, however the basket fund principles stipulated in 4.1.2 will be maintained.
- 4.1.4 At the moment of entry into the basket fund, the contribution of the BFP will be evenly distributed over the total period the contribution covers.
- 4.1.5 It may be that at the moment of a new BFP entering the basket fund the Annual an overall Programme Implementation Plans have been based on amounts available without the new contribution. If this is the case the LSF will amend the existing plans

taking the new contribution into consideration and will follow the procedures according to clauses 5.1.5 and 5.1.6.

- 4.1.6 The LSF will provide bi-annual reports to BFPs, including income and expenditure statements, expenditures versus budget and balance sheet for the basket fund. In these reports the expenditures incurred will be charged to the contributions received from different BFPs on a pro rate basis based on the percentage that the BFP's individual contribution represents of the overall contribution (and thus budget) for the respective budget (calendar) year. It will not be possible for the LSF to provide reports for individual BFPs only.
- 4.1.7 Given what is stated in 4.1.6 it will not be possible for the LSF to account in detail to individual BFPs e.g. for what exact budget lines a dispatch of a part of its total contribution has been utilised. Therefore BFPs should not make this a requirement for fund dispatches.

## **4.2. DEPARTURE**

- 4.2.1 Any BFP may, for its own reasons, have to leave the basket fund earlier than originally planned. If this is the case the Fund Manager and other BFC members will be informed in writing at least 6 months before the actual date of withdrawal. In case this departure implies reimbursement of funds so that Annual and overall Programme Implementation Plans have to be amended this will be done while the procedures of 5.1.5 and 5.1.6 will be followed. If the BFP so desires the unspent fund of its contribution, will be returned, following the pro rate calculation principles as described in section 4.1.6 and 5.3. However in establishing the amount for reimbursement the LSF will have to take into consideration commitments it has made, due to earlier planning based on the assumption of a higher available budget. This will have to be worked out in detail with the individual BFP who wishes to leave the basket fund. The other BFC members will be informed and consulted on whichever arrangement is proposed.
- 4.2.2 Balances for BFPs who participated in the basket fund for a period that from the start of their participation was known to be shorter than the programme period will be settled following the pro rate calculation principles as described in section 4.1.6 and 5.3.

## **5. PROGRAMME PLANNING AND BUDGETING**

### **5.1. PLANNING AND BUDGETING**

- 5.1.1 Budgeting procedures are a component of the preparation of the overall Program Implementation Plan and Annual Plans. Detailed expenditure estimates must be prepared in local currency based on agreed project activity plans.
- 5.1.2 The future cost of items such as supplies and services can never be forecasted with total certainty. Budgeting is therefore something of an imprecise art. Judgement and experience must be brought in to known current costs to estimate as closely as possible.
- 5.1.3 Starting from activity plans, budgets will be estimated based on the definition of units (person days, numbers etc), unit cost and required number of units.
- 5.1.4 The monitoring of expenses will take place on the basis of monthly 'budget vs actual expenditure' reports presented by the Finance Manager to the Fund Manager. These reports will provide the budget variance both in absolute amounts and in percentages of the expenditures against budget to date and against the total budget for the budget line or budget category.
- 5.1.5 The overall Programme Implementation Plan will be prepared as part of the Inception Report in March 2012, as well as the first Annual Plan for 2012. The plans will be presented to the BFC / Lead Donor for approval.
- 5.1.6 Consecutive Annual Plans and budgets will be prepared each year in the last quarter for presentation to and concurrence by the Board who in its turn will forward the plans to the BFC for approval.
- 5.1.7 Budget categories of Annual Plans must follow those agreed upon in the overall Programme Implementation Plan. The Fund Manager is responsible for the preparation of the overall and annual Programme Implementation Plans, which need initial endorsement by the Governing Board before presentation to the Basket Fund Committee for approval.

## **5.2. BUDGET REALLOCATIONS**

- 5.2.1 The budget categories of the overall and annual Programme Implementation Plans may be re-allocated at the discretion of the Fund Manager up to a maximum of plus or minus 15%, but the budget should remain within the total of the overall budget for the programme period.
- 5.2.2 For re-allocations on budget categories beyond 15% approval of the Board is required. Budget re-allocations mean that an activity was either under or over-estimated or became redundant. Consequently, it affects the value and content of the budget variance analysis as well as cash flows of the programme. Also in this case the overall budget for the programme period cannot be superseded.
- 5.2.3 Budget re-allocations on individual budget lines within budget categories are the discretion of the Fund Manager, as long as these stay within 15% variance for the budget category and the overall budget for the programme period is not superseded.

## **5.3. UNEXPENDED FUNDS AND OVERSPENDING**

- 5.3.1 Unexpended funds at the end of the programme will be returned to the contributors of the basket fund on pro rata basis depending on their percentage contributions to the overall programme budget.
- 5.3.2 Unexpended funds at the end of an Annual Plan period, always 31 December of any year, will be transferred to the next Annual Plan budget.
- 5.3.3 In case a BFP contributed for a period that terminates before the termination date of the programme this BFP may, in case of unspent balances at the end of the year, be reimbursed based on the pro rate contribution for the Annual Plan concerned in case this is requested. It will however only be possible to establish the exact amount of reimbursement after the accounts for the concerned year have been closed. The Basket Fund Partner concerned is, however, at liberty to waive the reimbursement, which will have to be confirmed in writing to the Fund Manager (c/c Board and BFC).
- 5.3.4 In case of overspending at the end of an Annual Plan period the amount overspent will be deducted from the available budget(s) for the next Annual Plan period(s).

- 5.3.5 In case a BFP's contribution terminates in a year in which overspending takes place the BFP concerned will not be requested to contribute in any way to cover for the overspending.

## **6. FINANCIAL PROCEDURES**

### **6.1. GENERAL**

- 6.1.1 A reputable (preferably international) bank in Tanzania will be the banker for the LSF basket fund.
- 6.1.2 In the initial period, with only one BFP (Government of Denmark) the Fund Manager will present a bi-annual fund request to the lead donor for the period January to June and July to December respectively of any year. However, in the start up / inception phase more frequent smaller fund requests may be made.
- 6.1.3 When other BFPs may have joined the basket fund, requests may be presented to them according to their preferences, depending on their own planning, budgeting and fiscal year cycles, however, it will not be possible for the LSF to deviate from the reporting modalities of the basket fund as described in section 4.
- 6.1.4 All fund requests to BFPs will be made in US \$ (US Dollars). Dollar funds received for the basket fund will be deposited in the US Dollar Basket Fund Legal Services Facility account. It is not excluded that the LSF can open accounts in other major currencies, e.g. Euro, in case required.
- 6.1.5 With the same bank the LSF will maintain a Tanzania Shillings basket fund savings account, which will be interest bearing. It will be a matter of financial management and up to the discretion of the Fund Manager to decide which balances will be maintained in the US Dollar account and in the TShs savings account. The approach will be informed by limiting risks and preventing currency losses. All earnings, if any, will be accounted for and in principle be used for programming purposes, or, if individual BFPs so require, be reimbursed to them.
- 6.1.6 With the same bank the LSF will additionally operate a basket fund current account (non interest bearing) in Tanzanian Shillings out of which some ongoing programme costs will be covered. The balance on this account will be kept as low as possible. However, the TShs savings accounts will also be operated as a current account.

## **6.2. BANK GUIDELINES AND PROCEDURES**

- 6.2.1 All fund requests will be based on the approved budgets of the overall PIP and annual plans in relation to the expenditures incurred.
- 6.2.2 All basket fund bank transactions shall be carried out through the LSF accounts referred to in 6.1.1
- 6.2.3 Moneys (cash) received for banking (from whatever source) must be banked at the earliest time possible and in any event not later than the next working day that banks are open following the receipt of the money.
- 6.2.4 Monthly bank reconciliations will be prepared by the Finance Manager for each of the bank accounts in order to reconcile the cashbook balances to the bank statements. The bank reconciliation statements must be signed by the Finance Manager and endorsed by the Fund Manager (Annex 12).
- 6.2.5 The bank accounts will be mandated such that the bank requires at least two authorised signatures prior to the honouring of any cheque.
- 6.2.6 The Fund Manager is the principal signatory for each of the bank accounts and will issue two additional approvals of signatories for each of the bank accounts.
- 6.2.7 Under no circumstances may the authorized signatories sign a cheque before full details of the payee and sum payable have been entered. Signing blank cheques is strictly prohibited.
- 6.2.8 In the event of a signatory leaving the LSF, the bank must be instructed immediately in writing by the Fund Manager to remove him or her from the list of authorised signatories. The Fund Manager will approve a new signatory and inform the bank in writing.
- 6.2.9 Similarly, in the event of the principal signatory going on leave or being incapacitated for a significant period, the Fund Manager will appoint a temporary principal signatory until the substantive signatory reports back on duty. The bank shall accordingly be informed in writing by the Fund Manager.

6.2.10 The Finance Manager is responsible to ensure that the bank gives the LSF adequate documentation to support any charges levied and/or shown on the bank statements and that the charges levied are cross checked.

6.2.11 Similarly the Finance Manager must cross check interest earned (if applicable) against the agreed rates from the Bank and report to the Fund Manager if there are any discrepancies.

6.2.12 The interest rate discrepancy (if any) shall be communicated to the Bank requesting the Bank to correct the mistake. The Finance Manager shall make a follow up and ascertain that the bank has made the correction.

6.2.13 Bank statements and bank reconciliations (Annex 12)

(a) A bank statement for each of the bank accounts shall be obtained at the end of every month.

(b) The Finance Manager shall reconcile the cashbook balance to the balance on the bank statement.

(c) The reconciliation must take into account cheques drawn, but not yet presented at the bank and deposits made which have not yet been recorded on the bank statement.

(d) The reconciliation procedures must include investigations of all discrepancies.

(e) Errors on bank statements must be noted.

(f) The bank must be informed in writing of the errors or discrepancies that it is responsible for in order for them to be rectified.

(g) Bank reconciliation statements shall be reviewed and endorsed by the Fund Manager.

### **6.3. CHEQUE PAYMENTS**

6.3.1 All payments for goods or services shall always be made by either bank transfer, cheque or bank draft. As soon as the bank provides electronic banking services the LSF will utilize these.

6.3.2 However, some small cash withdrawals from the basket fund TSHs current account may be made for necessary activities the LSF Secretariat undertakes within the framework of the approved plans (e.g copy works for workshops). Such withdrawals will be kept as basket fund petty cash in the LSF's safe. The LSF management will

determine from time to time the amounts allowable for petty cash as rolling imprest depending on the level of approved activities. The approved maximum petty cash amount will be documented in the audit file.

- 6.3.3 Requisitions for expenditures on programme activities or grants from the Basket Fund TShs savings or current accounts shall be made by the relevant applicants and must be authorised by the Fund Manager or other authorised budget holder of that particular activity, then cross-checked by the Finance Manager.
- 6.3.4 Requests must follow the implementation/action plan and budget lines within the agreed overall and annual Programme Implementation Plans.
- 6.3.5 When payment requisitions are made, bank charges shall be taken into account (where it is anticipated fees will be levied by the Bank e.g. in cases of funds transfers) so that the full cost of the transaction may be recognised.
- 6.3.6 Payments shall not be done later than 30 days from the date of submission of invoices and requests accompanied by relevant supporting documents. Therefore, verification, approval, authorisation and actual payments must be completed within this time frame.
- 6.3.7 Any request for a cheque payment shall be made using a **Payment Requisition Form** (Annex 3) indicating the project and budget line to be charged. This request together with supporting documents shall then be sent to the Finance Manager for checking and verification. This verification will include the checking of the arithmetic, account code details, budget lines, supporting documentation. After this the request, together with the supporting documentation, will be forwarded to the Fund Manager for approval.
- 6.3.8 Supporting documentation should include genuine original documents such as invoices, copies of procurement requisitions, , delivery note, copies of agreements/contracts, tender awards, payroll, per diems and other payment requisitions etc, as appropriate.
- 6.3.9 Only original documents shall be accepted. Payments shall not be made on the basis of copies.

- 6.3.10 The Fund Manager, after being satisfied with the request and ensuring that it adheres to the approved PIP and Annual plan budget line and Action Plan for that project/grant activity, will approve the request if funds are available.
- 6.3.11 The Finance Manager shall then endorse the Payment Requisition Form and prepare a cheque, which, attached to the Payment Requisition Form and supporting documents, will be sent to the authorised signatories for signatures, or execute the payment electronically.
- 6.3.12 All cheques shall be always crossed "Account Payee Only" except in cases of cash cheques drawn by the Finance Manager. In such cases the crossing of "Account Payee Only" shall be opened.
- 6.3.13 Before signing any cheque, the cheque signatories also have the responsibility to satisfy themselves as to the correctness and validity of the payment. This verification may include:
- (a) Correctness of the payment requisitioning procedure;
  - (b) Correctness of procurement process;
  - (c) Correctness and adequacy of supporting documentation;
  - (d) Budget line code detail;
  - (e) Authorisation of the Fund Manager or authorised budget holder.

The signatories will then sign the cheque and the **Payment Voucher** (Annex 4).

- 6.3.14 The payment documents will then be returned to the Finance Manager for the actual payment. The Finance Manager is responsible for ensuring that a receipt is obtained for the payment and that the payee signs on the Payment Voucher and/or in the **Dispatch Book** in acknowledgement of the payment.

- 6.3.15 The Dispatch Book will have the following details:

- (a) Date (as shown on the cheque itself);
- (b) Cheque number;
- (c) Amount on the cheque;
- (d) Payee's name;
- (e) Signature of Payee

- 6.3.16 Details of every cheque written must be entered into the cashbook. The details will include the date, payment voucher reference number, concise description of transaction, payee, amount paid and cheque number.
- 6.3.17 Invoices and all other supporting documents relating to a payment must be stamped “**PAID**” by the Finance Manager as soon as the cheque has been signed. The PAID stamp will be designed in such a way that it will have a space where the cheque number and date will be filled in.
- 6.3.18 All expenditure whether by cheque or cash must be supported by a Payment Voucher, together with supporting third party documentation.
- 6.3.19 Receipts in letterhead or from the receipt book of payees shall support all expenditure. If the payee/vendor/ service provider/grantee is unable to issue a receipt, a written acknowledgement of receipt of payment will be obtained using the **Acknowledgement for Receipt of Payment** (Annex 5).

#### **6.4. CASH PAYMENTS (OTHER THAN FOR OFFICE PETTY CASH)**

- 6.4.1 Cash payments may be made for personal allowances, per diems, travel refunds and similar disbursements. However, such cash will not be regarded or treated as petty cash. The **Imprest/Advance Application Form** (Annex 6) will be used to request for an advance.
- 6.4.2 Cash cheques will be drawn from the Bank account by the Finance Manager, or any of the other two signatories. The procedure for drawing shall follow normal cheque procedures as detailed in section 6.3 of this manual.
- 6.4.3 Where disbursements are made as “working cash advances”, pending proper third party accountabilities, such accountabilities must be made within the shortest feasible time but must not exceed 48 hours after conclusion of the activity they were requested for.
- 6.4.4 Working cash advances shall only be made to members of staff, who will be made personally accountable for them. They will be considered as personal advances until all the advanced monies have been properly accounted for with third party supporting documents.

6.4.5 LSF staff members shall account for these advances using the **Employee Expense Report Form** (Annex 7) which will support a Journal Voucher (Annex 8) raised to record the accountability. The journal voucher shall also be used to record all journal entries e.g. bank charges etc.

6.4.6 Any member of staff who, without good cause, has not fully accounted for any disbursement/advance within the stipulated 48 hours after completion of the activity, for which the funds were requested, will have that amount automatically deducted from his/her monthly salary. This will be done without consultation of the staff concerned. The deduction will be reflected on the payslip.

## 6.5. AUTHORISED SIGNATORIES

6.5.1 The cheque signatories will be grouped as follows:

Principal Signatory	Fund Manager
Signatory 1	Project Officer Legal Sector
Signatory 2	Finance Manager

6.5.2 Every cheque will have two signatures. One signature must be the principal signatory and the other signature will be either signatory 1 or 2.

6.5.3 When the Fund Manager is on leave or is otherwise not able to sign, then the Project Officer Legal Sector will be the principal signatory.

## 6.6. CHEQUE BOOK CONTROL & MAINTENANCE

6.6.1 On receipt of a new chequebook, the Finance Manager must verify that all cheque leaves are in the book and record its particulars in the Document Register.

6.6.2 In the event that a cheque leaf is found missing, the matter must be brought to the attention of the Fund Manager without delay. The Bank will be immediately notified in writing, by the Finance Manager, of the irregularity.

6.6.3 The Finance Manager is responsible to ensure that the chequebook is kept securely in the safe. Cheques must be written clearly and in ink. No gaps must be left before or after words and figures that would allow later falsification of the details or value of the cheque.

6.6.4 As mentioned in paragraph 6.3.12 cheques must be always crossed “Account Payee Only” except in cases of cash cheques.

6.6.5 Cases where suppliers demand cash payments shall preferably not be entertained, however in cases where inevitable, separate approval of the Fund Manager is required.

6.6.6 The cheque counterfoil (stub) must always be completed with the following details and kept in the safe:

- (a) Date;
- (b) Payee;
- (c) Brief details of reason for the cheque;
- (d) The value;
- (e) Signatories shall sign or initial the stub.

6.6.7 After all the leaves of the chequebook have been utilised, the cheque stubs must be kept in the safe by the Finance Manager.

6.6.8 The Finance Manager will also keep the currently used chequebook in the safe at all times, except when it is taken out to write cheques for payment.

## **6.7. CONTROL OF CANCELLED AND STALE CHEQUES**

6.7.1 In the event that a cheque leaf has to be cancelled, the word “cancelled” must be written across both the cheque leaf and cheque stub in ink. The payment voucher must be similarly marked and a note made in the cashbook.

6.7.2 The cancelled cheque will be filed in a separate file.

6.7.3 The original payment request and other supporting documents will then serve as part of the supporting documents in the preparation of a replacement cheque.

6.7.4 In case a cheque has not been cashed for 6 months (stale) the bank will be informed in writing that the cheque is cancelled. The cancellation of the cheque must be noted on the original payment voucher. A reverse entry shall be made in the cashbook on the date that the letter stopping the cheque is written.

6.7.5 If the cheque must be replaced, a new payment voucher must be prepared, with the original supporting documents attached including the cheque if available.

## **6.8. CASH BOOK**

6.8.1 The cashbook records all money received and paid, whether by cash, cheque or bank transfer.

6.8.2 The cashbook must be updated daily from the payment vouchers and receipt books. Additional information will be obtained from bank advices and other information as found in the bank statements.

6.8.3 At the end of every month, the cashbook must be ruled off and balanced by the Finance Manager.

6.8.4 The Finance Manager will review the cashbook at least once a month and do bank reconciliation for each bank account at every month end. This must be evidenced by the signature of the Finance Manager. The Fund Manager will check the bank reconciliation and approve it.

## **6.9. RECEIPTS (CHEQUE AND CASH)**

6.9.1 A receipt book will be maintained to record all moneys received whether by cheque or bank transfers.

6.9.2 The receipt book will be in triplicate (Annex 5).

6.9.3 The original copy of the receipt will be given to the payer, the duplicate shall be attached to a Deposit Voucher (Annex 2) as a support document to be filed and the third copy will remain in the book.

6.9.4 All moneys received will be banked promptly and in any case not later than the next working day following the receipt of the money.

6.9.5 Each receipt shall bear the following details;

- (a) Date payment received;
- (b) Name of payer;
- (c) Reason for receipt;
- (d) Amount received both in words and figures;

- (e) Details of cheque received (if applicable);
- (f) Signature of Finance Manager;

## **6.10. RECEIPT BOOK CONTROL AND MAINTENANCE**

6.10.1 The Finance Manager will keep the currently used receipt book in the safe at all times, except when it is in use.

6.10.2 The stock of unused receipt books and those that have been used up shall be kept under lock and key and be recorded in a **Documents Register** (Annex 9).

## **6.11. PAYMENT/DEPOSIT VOUCHERS (CHEQUE OR CASH)-(Annex 2 and 4)**

6.11.1 All payments must be recorded on a fully authorised payment voucher and all bank deposits must be recorded on a deposit voucher.

6.11.2 Supporting third party documentation will be attached to the payment/deposit voucher.

6.11.3 Details to be included on the payment voucher are as follows:

- (a) Date;
- (b) Name of payee;
- (c) Amount to be paid;
- (d) Cheque number;
- (e) Account code details;
- (f) Description of payment;
- (g) Signature of the one who has prepared it;
- (h) Signature of the one who has checked and verified it;
- (i) Authorising signature;
- (j) Signature of the payee.

6.11.4 The payment and deposit vouchers must be filed in numerical order in a secure box file.

## 7. PROCUREMENT OF GOODS AND SERVICES

### 7.1. PURCHASING (PROCUREMENT UP TO US \$ 10,000)

- 7.1.1 For all procurement a procurement request (Annex 11) approved by the Fund Manager is required. A procurement request shall not exceed the budgetary allocations and will therefore be checked by the Finance Manager and authorised by the Fund Manager.
- 7.1.2 Procurement below US \$ 700 (Tshs 1,050,000) may take place on single sourcing direct purchase basis.
- 7.1.3 For procurement from US \$ 700 to below US \$ 1500 (Tshs 1,050,000 to below Tshs 2,250,000) three genuine quotations from three different suppliers are required. The Fund Manager will authorise the supplier of choice based on price-quality ratio considerations.
- 7.1.4 For procurement from US \$ 1500 to below US \$ 10,000 (TShs 2,250,000 to below TShs 15,000,000) the Fund Manager will appoint a Basket Fund Procurement Committee, which will minimally consist of 3 members:

Program Officer	Chairperson
Administrative Assistant	Secretary
Finance Manager and/or Program Officer(s)	
Co-opted technical expert(s) (as required)	Advisor(s)

- 7.1.5 The Procurement Committee will oversee the management and documentation of the procurement and contracting process for goods and services, including:
- (a) Sourcing of suppliers;
  - (b) Preparation of documents with specifications, ToRs;
  - (c) Formal invitation for bids/quotations;
  - (d) Receipt and safe custody of documents;
  - (e) Vetting the bids/quotations obtained, also against specifications;
  - (f) Design evaluation criteria and perform the evaluation of bids/quotations through a comparative bid analysis;

- (g) Selection of the winning bid/quotation based on price/quality ratio considerations;
- (h) Recommendation of supplier to the Fund Manager.

7.1.6 The Fund Manager will approve the committee's recommendation. The Finance Manager will prepare the LPO / contract for the winning bidder / quoter to be approved and signed by the Fund Manager.

7.1.7 Selective Bidding & Prequalification: The LSF will maintain a list of pre-qualified suppliers and contractors, who may from time to time be called upon to supply goods and services on a limited competitive bidding process.

7.1.8. For procurement from US \$ 700 and above a contract is required. The **Local Purchase Order (LPO)** (Annex 10) serves that purpose to below US \$ 10,000 (Tshs 15,000,000) and must include the following details:

- (a) Date;
- (b) Name of supplier;
- (c) Description and specifications of goods or services;
- (d) Quantities and units of supplies;
- (e) Due date(s) of delivery of supplies;
- (f) Terms of payment;
- (g) Name and signature of the officer who has prepared the LPO;
- (h) Authorising signature;
- (i) Authorised signature of supplier.

## **7.2. RESTRICTED TENDERING (FROM US \$ 10,000 – 50,000)**

7.2.1 For procurement above from US \$ 10,000 to below US \$ 50,000 a restricted tender procedure will be followed.

7.2.2 This implies that the LSF prepares a long-list of potential suppliers or service providers based on detailed specifications of the goods required or Terms of Reference for the services required as well as LSF's knowledge regarding the parties in the market who could provide the requested goods or services.

7.2.3 The long listed suppliers are invited in writing to present their Expression of Interest (Eol) in writing, accompanied by a company profile that at least should contain the following data:

- (a) who will be the authorised contact person;
- (b) what is the staff available to perform the job, or what are the goods the company is trading in;
- (c) a brief indication on the financial status of the company;
- (d) evidence of establishment as a legal entity;
- (e) fields of specialisation of the company;
- (f) track record of jobs undertaken and/or clients served.

The minimum period granted to the long-listed organisations to provide their Eol is one week and the maximum period is two weeks.

7.2.4 The Fund Manager will appoint a Tender Evaluation Committee (TEC) either from among LSF staff or from external specialists or a combination thereof. The Fund Manager chairs (ex-officio) the committee, which will formulate selection criteria and select a short-list out of the long-list of organisations who presented their Eol.

7.2.5 The short-listed organisations receive a written Invitation to Tender. This invitation contains:

- (a) Instructions to tenderers;
- (b) A short-list notice;
- (c) Draft contract agreement;
- (d) Terms of reference or specifications of supplies;
- (e) Outline of required services;
- (f) Budget estimate;
- (g) Evaluation grid;
- (h) Tender submission form.

Depending on the complexity of the required services or supplies the minimum period granted to the short-listed organisations to present their bid is two weeks and the maximum period is one month.

- 7.2.5 The tenders will be received at the LSF office in closed envelopes for which a receipt will be issued. The dual envelope system will be utilised with a separate envelope for the technical proposal and one for the financial offer. These envelopes will not yet be opened.
- 7.2.6 The first session of the Tender Evaluation Committee is the tender opening. All received envelopes will be numbered, checked whether they were presented on time. After opening it will be checked whether the technical and financial proposals are presented in separate closed envelopes and whether the tenderers did fulfil the communicated requirements for presentation of their bid. Those who comply will be forwarded for further evaluation.
- 7.2.7 The technical proposal will constitute 80% of the evaluation and the financial offer 20%.
- 7.2.8 The technical evaluation will take place by the evaluators based on the evaluation grid that was communicated to all bidders. A minimal score of 80 out of 100 (technical compliance) is required for bidders to proceed in the evaluation towards opening of the financial offer.
- 7.2.9 For those bidders who are technically compliant the financial envelope will be opened. First the financial offers will be checked for arithmetic errors. These will be corrected. Then the financial offers will be compared with the budget available. If within, the offer is allowed for evaluation. The lowest bid will receive a score of 100 and the higher bids will receive a score calculated by lowest bid over higher bid times 100.
- 7.2.10 The technical score will be multiplied by 0.8 and the financial score by 0.2 and the sum of these two constitutes the total score of the tender. The highest score wins the bid.
- 7.2.11 The bidders who did not win are informed in writing about the result of the tender with a brief explanation why they did not win. The winner is also informed in writing.
- 7.2.12 The winner of the tender is invited for contract negotiations and the contract is finalised and signed by all parties.

### **7.3. OPEN TENDER (US \$ 50,000 UP TO BELOW 200,000)**

- 7.3.1 The tender will be advertised in the national media and interested parties are invited to collect tender documentation at the LSF office, possibly against a token fee to attract genuinely interested parties only.
- 7.3.2 The interested parties are invited to present their EoI.
- 7.3.3 The procedure is identical to the one described under 7.2 with as difference that the timeframe for the EoI will be 2 weeks to 1 month and that the time frame for presentation of the proposal is one to three months maximally, depending on the complexity of the services or supplies requested.
- 7.3.4 It is considered unlikely that in its lifetime LSF will enter into tender processes above US \$ 200,000. For this reason the procedures have not been described
- 7.3.5 However, in its grant making processes, the LSF will be involved in the award of grants to an estimated maximum of US \$ 500,000 for a 3 year period. For the procedures dealing with grants a reference is made to the LSF Grant Management Manual.

### **7.4. RECEIPT OF GOODS AND SUPPLIES**

- 7.4.1 On receipt of goods, the Administrative Assistant will check the supplier's delivery against the copy of the LPO and ensure that the items supplied comply with the supplier's original quotation and the LPO.
- 7.4.2 Received items will be entered into the stores register by the Administrative Assistant to acknowledge receipt of delivery in addition to signing of the supplier's delivery note.
- 7.4.3 A copy of the purchase order together with the signed supplier's delivery note will be sent to accounts to match with supplier's invoice.
- 7.4.4 When all the documentation is satisfactory, then payment will be made according to terms agreed with the supplier.
- 7.4.5 Upon receipt of local supplies the Administrative Assistant will ensure that:

- (a) A delivery note has been received;
- (b) The supplies delivered are in the correct quantity and of good quality and as per LPO;
- (c) Receipt is acknowledged by signing and retaining the original of the delivery note or invoice;
- (d) In case it is too complicated to establish the quality or conditions of the supplies, an independent technically competent inspector will be called in;
- (e) Received items have been entered in the stores register properly.

## **7.5 TREATMENT OF VALUE ADDED TAX (VAT) PAYMENTS**

7.5.1 Like any other basket fund, LSF may have different partners with different approaches to VAT treatment. There may be partners who have agreement with GoT that all goods and services for the implementation of the programme should be exempted from taxes subject to tax laws of the United Republic of Tanzania and they want VAT payments to be reclaimed. On the other hand, it is also possible to have contributors who don't make reclaim VAT payment a request even if the agreement between them and GoT allows VAT exemption. Currently, the Royal Danish Government through DANIDA is the only contributor to the basket fund. The agreement between the Government of the United Republic of Tanzania and the Government of the Kingdom of Denmark for the "Tanzania Governance Support Programme" which ends on 31<sup>st</sup> December 2015, provides that...*"the grant goods and services to be used solely in the implementation of the programme under this agreement shall be exempted from taxes subject to the prevailing tax laws of the United Republic of Tanzania"* It is therefore, important that issues of VAT treatment are clearly discussed and agreed with the partner at the point of joining the basket fund.

7.5.2 However, since funds in the basket fund cannot be traced back to the contributors, the following should be LSF approach towards VAT treatment:

- (i) LSF should seek VAT relief from Tanzania Revenue Authority in advance before paying for all goods and services up to the value equivalent to the amount contributed in that particular period by basket fund partner who makes VAT payment claim a request. The minimum value for goods and services to be considered for VAT refund is TZS One Million Only (TZS 1,000,000) per transaction.

- (ii) For telephone expenses, utilities or anything you cannot estimate consumption beforehand, it is not possible to ask for VAT relief from TRA prior to procurement of those services. Therefore, VAT payment refunds must be claimed afterwards. In order to do that, a VAT suspense account must be created to track all VAT payments so that they can easily be revised when claimed.

## **8. MANAGEMENT INFORMATION AND REPORTS**

### **8.1. PRINCIPLES OF FINANCIAL MANAGEMENT REPORTS**

8.1.1 Financial management reports are intended primarily to act as a tool to provide management information for decision-making.

8.1.2 All documents used to record accountability shall be properly filed in such a way that they can be available for review 7 years after the final audits have been done.

8.1.3 The basket fund financial reports shall reflect compliance with the principles of efficiency, transparency and accountability. They are meant to ensure that programme funds are used effectively and efficiently, within the agreed time frame and budget. They are an integral part of the Programme's activities and are supported by periodic monitoring and review.

8.1.4 The LSF Secretariat shall present every 3 months financial and progress reports to the Board and every 6 months to the Board and the Basket Fund Committee with a view to the approved overall PIP, annual plan and budgets for the reporting periods.

### **8.2 QUARTERLY, SEMI-ANNUAL AND ANNUAL FINANCIAL MANAGEMENT REPORTS**

The following consolidated statements for the basket fund will be submitted to the Board not later than 4 weeks after each quarter of the year:

- (a) Statement of income and expenditure;
- (b) Statement of expenditure against budgets;
- (c) Expenditure/cash flow projections for the coming quarter;

(d) Balance Sheet.

Periodically, the above reports will be prepared in the following order. In the first quarter, quarterly report will be produced followed by semi-annual report after the second quarter. Another quarterly report will be prepared for the third quarter and the annual report will be prepared after the end of fourth quarter.

#### **8.4 NEXT FINANCIAL YEAR BUDGETS**

In October of each year the LSF Fund Manager will present to the Board the Annual Plan and Budget for the next financial year. In case the Board concurs, the Annual Plan and Budget will be presented to the BFC in November of each year for approval.

#### **8.5 ANNUAL EXTERNAL AUDIT**

8.5.1 Audits are an important tool to reassure donors, programme partners, the Government and other stakeholders that funds are being properly spent. A comprehensive external audit will therefore be carried out annually.

8.5.2 The external auditor is proposed by the Fund Manager and Board to the BFC for approval, in November of each year. The auditors will be selected following the restricted tender procedure as described in 7.2. The proposed auditors must be recognised and registered member of NBAA in Tanzania and must be authorised to certify accounts according to Tanzanian law. Additionally auditors need to be internationally recognised. The cost for the external annual audit comes from the available budget of the programme.

8.5.3. The auditors shall present the following reports (and any other as deemed appropriate by the Fund Manager, Board or BFC):

- (a) Audited financial statements and auditors' report.
- (b) The financial statements shall include a balance sheet, income and expenditure account and a fund flow analysis
- (c) Appropriate and complete notes (included in the financial statements)
- (d) A management letter.
- (e) Any other financial reports as appropriate.

8.5.5 If any BFP prefers an audit executed by auditors of their own preference than the LSF will extend maximum cooperation, however, the cost for the audit will have to be borne by the BFP.

## **8.6 AUDIT MANAGEMENT LETTER**

8.6.1 The Fund Manager shall present the audit report to the Board in March of each year and after concurrence of the Board to the BFC in April of each year.

8.6.2 The Fund Manager will respond to all the issues raised by the auditors and propose strategies and plan of action on how these may be addressed, to the Board and the BFC.

8.6.3 The Fund Manager will conduct a mid-year review to assess to what extent the proposed remedial strategies have been implemented and instrumental.

## **9. CUSTODY OF FINANCIAL DOCUMENTS AND ARCHIVING**

### **9.1. DOCUMENTS REGISTER**

9.1.1 All pre-numbered documents used to capture financial information shall be properly recorded and stored under lock and key.

9.1.2. Every time that pre-numbered documents are printed or purchased they shall be recorded in the **Documents Register** (Annex 9).

9.1.3 The documents to be recorded in the register shall include:

- (a) Cheque Payment Vouchers (Annex 4)
- (b) Cash Payment Requisition (Annex 3)
- (c) (Local) Purchase Order (Annex 10)
- (d) Goods Received Notes (Annex 11)
- (e) Receipts (Annex 5)
- (f) Cheque Books
- (g) Any other pre-numbered financial document

9.1.4 The Documents Register shall contain the following:

- (a) A separate page for each individual document;

- (b) A description of the document;
- (c) Date of receipt;
- (d) Serial numbers for each individual book;
- (e) Date of issue;
- (f) Name of person to whom issued;
- (g) Signature of the person to whom issued.

9.1.5 The Documents Register shall be used as a tool to monitor usage of the accounts books and as an early re-order warning system.

## **9.2. FINANCIAL INFORMATION ARCHIVES**

9.2.1 All financial information and documents of the basket fund must be properly and securely stored for a period of at least 7 years from the date that the final reviews and audits were passed.

9.2.2 All financial information and documents of grantees will also be properly and securely stored for a period of at least 7 years from the date that the final reviews and audits were passed.

## Annex 1: Chart of Accounts

### **BALANCE SHEET**

201	Petty Cash
203	Basket Fund LSF Barcalys (TZS)
204	Basket Fund LSF (Savings)(TZS)
205	Basket Fund LSF Barcalys (USD)
250	Liquid Assets
251	Staff Advances
252	Prepaid expenses
253	Accounts receivable
254	Other assets
255	Clearing account
301	<b>LIABILITIES</b>
310	Accounts payable
311	Taxes payable
360	<b>RESERVES</b>
361	Accumulated Excess (Shortage)
362	Net Income (Expense)
363	Add currency report

### **999 INCOME STATEMENT**

#### **1000 Grant Making**

1010	Call for Proposals
1011	First CfP large grants
1012	Second CfP medium grants
1013	W of Opprtunity for small grants
1020	Contract award ceremonies
1021	Contract award c for 1st CfP
1022	Contract award c 2nd CfP
1023	Contract c window opportunity
1030	Grants Installments-L Grants
1040	Grants Installments-M Grants
1050	Grants Installments-S Grants

#### **2000 Capacity Building**

2010	Accounting & M & E training
2011	Training for large grantees
2012	Training grantees (paralegals)

- 2013 Training medium large grantees
- 2014 Training medium small grantees
- 2020 Organization Capacity Ass(OCA)
- 2021 OCA 1st CfP contract award
- 2022 OCA 1st CfP end of contract
- 2023 OCA 2nd CfP after c award
- 2024 OCA 2nd CfP end of contract
- 2030 Tender Capacity Building
- 2031 Large grantees LAPs trainings
- 2032 Large grantees paralegals
- 2033 Medium grantees LAPs
- 2034 Medium grantees paralegals
- 2050 Grantee forums
- 2051 Grantee forum1
- 2052 Grantee forum 2
- 2060 Special Programmes
- 2061 Study tours
- 2062 Peer learning
- 2063 Training materials, manual
- 2064 Best grantee competition
  
- 3000 Coordination, PD & Advocacy**
- 3010 Programme launch and closure
- 3011 Launch of LSF
- 3012 LSF closure or handover
- 3020 Coordination among LAPs
- 3021 LAPs workshop for paralegals
- 3022 LAPs services & approaches imprv
- 3023 Paralegals mainland workshop
- 3024 Paralegals Znz workshop
- 3025 LAPs country forum
- 3026 Paralegals country forum
- 3027 LAPs & paralegals coord forum
- 3030 PD& coord GoT & Legislative
- 3031 PLSD and LAPs
- 3032 PLSD, Judiciary and LAPs
- 3033 Workshop with selected MPs
- 3040 PD & advocacy stakeholders gen

3041 Advocacy week

**4000 TA, T T, MTR, Eval & Audits**

4010 Baseline Survey

4011 Tender and Consultant

4012 stakeholders survey workshop

4013 Dissemination of Survey report

4020 Final Survey

4021 Tender and consultant

4022 Stakeholders workshop

4023 Dissemination, printing

4030 Short term technical assist

4040 Think Tank

4050 Annual and final audit

4060 Mid Term Review

4070 Final evaluation

**5000 Governing Board**

5001 Governing Board

**5500 Funding Received**

5501 DANIDA

**6000 Finance, Admin, Commun & Handover**

6010 Finance

6011 Finance software license

6012 Finance software maintenance

6013 Finance Forms

6020 Administration

6030 Communication and Promotion

6031 Website development

6032 Website maintenance

6033 Communication & media consultant

6034 Design & printing brochures

6036 Design & maintenance - Newsletter

6037 Design & production- materials

6050 Hand over

6051 Establishment of legal entity

6052 Recruitment of personnel  
6053 Office rent and running  
6054 Budget for Foundation

**8000 Basket Fund Expense Codes**

8001 Advertisement- Papers  
8002 Advertisement- Radio  
8003 Stationery, copying & printing  
8004 Designing & printing-materials  
8005 Consultancy fees  
8006 Honorarium  
8007 Facilitation allowance  
8008 Stipend/per diem  
8009 Venue hire  
8010 Conference package  
8011 Transport/ fare  
8012 Meals and accomodation  
8013 Bank Charges  
8014 Office Equipment  
8015 Staff Salaries & Benefits  
8016 Medical Insurance

9290 FX Gains & loss Expenses  
9310 Unrealized FX Gains  
9320 Unrealized FX Losses  
9330 Realized FX Gains  
9340 Realized FX Losses  
9510 Corporate Tax  
9999 NET INCOME



**Annex 3: Payment Requisition**



**LEGAL SERVICES FACILITY**  
Plot 15, Bima Road, Mikocheni B P.O.Box 31480 Dar-es-salaam  
**BASKET FUND**

**REQUISITION FOR PAYMENT**

“PAID STAMP”

**PAYEE:**

DESCRIPTION	CODE	AMOUNT (SHS)
<b>TOTAL</b>		

Amount in words:

Prepared by:

Sign: .....

Date: .....

Approved by:

Sign: .....

Date: .....

Checked by:

Sign: .....

Date: .....

**Annex 4: Payment Voucher**



**LEGAL SERVICES FACILITY**  
 Plot 15, Bima Road, Mikocheni B P.O.Box 31480 Dar-es-salaam  
**BASKET FUND**

P.V NO.....

Date.....

**PAYMENT  
VOUCHER**

PAYEE.....

DESCRIPTION	CODE	DR AMOUNT	CR AMOUNT
<b>TOTAL</b>			

AMOUNT IN WORDS: .....

.....

Prepared by: ..... Approved by..... Received by.....

Sign..... Sign..... Sign.....

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

**Annex 5: Acknowledgement of Receipt of Payment**



**LEGAL SERVICES FACILITY  
BASKET FUND**

**RECEIPT** NO .....

Date.....

Received from.....

The amount of Tshs.....

.....

Being payment of.....

.....

By Cash/Cheque No:.....

Name:.....

Signature.....

**Annex 6: Imprest/Advance Application Form**



**LEGAL SERVICES FACILITY**  
 Plot 15, Bima Road, Mikocheni B, P.O.Box 31480 Dar-es-salaam  
**BASKET FUND**

**PETTY CASH IMPREST/ADVANCE APPLICATION FORM**

Name: .....

Designation: .....

This is to request for advance of \_\_\_\_\_ shillings for official work as detailed below:

	Activity	Code	Amount Requested
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
		Total	

Requested by: .....

Date: .....

Checked by: .....

Date: .....

Approved by: .....

Date: .....

Note:

1. The unspent money (Balance) be handed back to the FAM immediately on return and she will adjust her records accordingly. Full accountability of funds spent should be done in the time limit as per the LSF Guidelines on Requests and Accountability for Imprest and Advances.
2. Funds that remain unaccounted for will automatically be deducted from your next salary

**Annex 7: Employee Expenditure Return Form**



**LEGAL SERVICES FACILITY**  
 Plot 15, Bima Street, Mikocheni B P.O.Box 23070 Dar-es-salaam  
**BASKET FUND**

<b>LEGAL SERVICES FACILITY (LSF) EMPLOYEE EXPENSE REPORT (EER)</b>			<b>EMPLOYEE NUMBER:</b>				
			<b>EMPLOYEE NAME:</b>				
			<b>PURPOSE OF EXPENDITURE:</b>				
DATE	LOCATION	DESCRIPTION	RECEIPT REF	Exchange Rate	Local Currency	Account Code	Cost Centre
<b>TOTAL EXPENSES .....</b>							
<b>CASH RETURNED RECEIPT # .....</b>							
<b>GRAND TOTAL .....</b>							
<b>DEDUCT ADVANCE.....</b>							
<b>NET AMOUNT DUE TO (FROM) EMPLOYEE.....</b>							
EMPLOYEE NAME: _____			Date: _____		CHECKED BY FINANCE MANAGER: _____		
APPROVED BY FUND MANAGER: NAME _____							
SIGNATURE: _____							
*Receipts must be mounted on paper and numbered consecutively					by Legal Services Facility		







**Annex 11: Procurement Request**



**BASKET FUND**

Plot 15, Bima Road, Mikocheni B P.O.Box 31480 Dar-es-salaam

**PURCHASE REQUISITION FORM**

PR No: \_\_\_\_\_  
\_\_\_\_\_

Date

Please purchase the following service:

	Item	Description	Qty	Unit	Estimated unit price	Estimated Total Cost	AC Code
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							

Requester

Finance Review

Approval (FM)

Name: .....

Name: .....

Received by.....

Sign.....

Sign.....

Sign.....

Date.....

Date.....

Date.....

**Annex 12: Bank Reconciliation Statement**



**BASKET FUND  
BANK RECONCILIATION FORM**

Date: .....

Bank statement  
period.....

<b>Bank Statement Date:</b>	<b>Bank Statement Sheet Number:</b>	
		<b>Amount</b>
<b>Balance on bank statement:</b>		
Less payments in cashbook, not on statement (e.g. un-presented cheques)		
<b>Total Deduction:</b>		
Less receipts on statements not in cashbook (e.g. income received by Bank)		
<b>Total Deduction:</b>		
Plus payments on statements not in cashbook (e.g. bank charges)		
<b>Total Addition:</b>		
Plus receipts in cashbook not on statement (e.g. income not yet banked)		
<b>Total Addition:</b>		
<b>Adjusted balance on the bank statement:</b>		
<b>Balance on cashbook:</b>		

Prepared by: .....

Date: .....

Approved by .....

Date: .....