



**FEDERAL UNIVERSITY OF TECHNOLOGY
OWERRI
OFFICE OF THE BURSAR**

FINANCIAL MANAGEMENT
MANUAL



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INTRODUCTION

The Act establishing the Federal University of Technology, Owerri made the Bursar the Chief Finance Officer of the University and is responsible to the Vice-Chancellor for the day-to-day administration and control of the financial matters of the University.

The Bursar is therefore the head of the Bursary Department assisted by Deputy Bursars. The Department is made up of 5 divisions each headed by a Deputy Bursar. Serviced by a well-established secretariat, the Bursar focuses on his work as an expert which can be summarized as requiring him to:

- (a) Provide efficient financial services and advice to the Vice-Chancellor and to the University. To this end, the Bursar shall offer advice on all financial issues, once it appears to him that his advice will ensure better deal for the University.
- (b) Establish and operate a sound system of internal control to ensure that University assets are preserved and that all University work and activities proceed in an orderly manner.
- (c) Ensure the production and preservation of necessary records of all financial transactions from which statutory and other management information needs of the University will be served.

There are 5 (five) main divisions of the Bursary Department namely:

- (i) Budget and Expenditure (**BBE**)
- (ii) Treasury and Investment (**T&I**)
- (iii) Salaries, Advances and Pension (**SAP**)
- (iv) Students Accounts (**SSA**)
- (v) Final Accounts (**FA**)

The Central Stores has a line relationship to the Bursary Department, reporting directly to the Bursar.



FINANCIAL AUTHORITY

The activity of the Bursary unit is firmly rooted in the following financial regulations/authorities:

- The Constitution of the Federal Government of Nigeria 1999 as amended
 - Finance Act
 - Audit Act
 - Public Procurement Act 2007
 - Fiscal Responsibility Act 2007
 - Financial Regulations
 - Treasury Circulars
 - Pension Reform Act 2014
 - Various Tax Acts
 - Annual Appropriation Acts
 - Tertiary Education Trust Fund (TETFUND) Acts
 - Other directives on financial matters by the Federal Government

However, Bursary at all times is bound by government financial reforms as may be laid down.

COUNCIL APPROVED FINANCIAL LIMITS

The financial limits as approved by Council are as follows:

Approval Limits	N
Vice Chancellor (For Works & Goods)	5,000,000
(For Services)	2,500,000
Principal Officers	100,000
Director of Estate & Works	100,000
Deans and Directors	80,000
Heads of Departments	50,000



SECTION 2: BUDGET AND EXPENDITURE SECTION

This section is made up of:

- Budget Unit
- Expenditure Control Unit
- Fixed Assets Unit

(a) Budget Unit

This unit is responsible for preparing the University's financial estimates as well as various reports relating to the funds of the University as required by the University Governing Council, Office of the Accountant General of the Federation, Budget Office of the Federation, National Universities Commission (NUC) and other relevant agencies.

Procedures

The following procedures are involved in the preparation of the budget:

- (i) Call circulars are sent to Heads of Departments/Units concerned to prepare and submit in a pre-determined format, an estimate of the cost of running their units in the forthcoming year.
- (ii) The proposals received are collated, considered and adjusted to generate draft estimate.
- (iii) Presentation and defence of draft estimates of proposal at the budget and estimates committee of the University.
- (iv) Preparation of aggregate estimate of revenue and expenditure based on budget performance of the current financial year.
- (v) Amendments are made where necessary and the aggregate estimates are presented to the Finance and General Purposes Committee (F&GPC) for recommendation to the University Governing Council for final approval.
- (vi) Communicate Council's approval of Budget to departments and units.
- (vii) Commitment of actual expenditure in the Expenditure Control Unit and School Accounting Units.
- (viii) Periodic preparation of budget performance.



(b) Expenditure Control Unit

This unit is responsible for monitoring and controlling the expenditure of units in the University.

Once operating budgets are approved, Expenditure Control Officers open Vote Books for every funded code in the budget profile and ensure that all instruments used in expending money are controlled. The instruments are: Local Purchase Orders, Job Orders, Letters of Award/ Commission, Contract Agreements, Receipts and Payment Vouchers. Control must ensure that budgetary provisions exist for meeting liabilities arising from the issue and release of these instruments.

Procedures

The following procedures are adopted for processing payments:

- (i) Approved requests for payment are sent to the Bursar.
- (ii) Vote balance is confirmed to ensure fund availability before processing of approved request.
- (iii) Enter expenditure in the vote book and draw down the balance.
- (iv) Raise, check and sign payment vouchers by different persons authorized
- (v) Payment vouchers are sent to the Internal Audit for verification and certification.
- (vi) Audited payment vouchers with relevant documents are transmitted by the internal Audit unit to the cash office for payment.

In processing **payment certificates** on expenditure of Capital nature

- (vii) Physical Planning and Development Unit issues an interim payment certificate in respect of the project.
- (viii) A file is opened for each project.
- (ix) Confirm fund release for the project
- (x) Repeat other payment processes as outlined above.

Payment Voucher and Internal Control

The documents used in paying out University funds called Payment Voucher (PV) is produced and authenticated in the Expenditure and Control Unit before the



Internal Audit prepayment checks. The essence of centralizing the preparation and authentication of payment voucher in expenditure control unit is to ensure effective internal control, where various officers are involved in the raising of a payment voucher namely:

- The officer that writes the payment voucher based on a written approval document.
- The officer that checks and passes the payment voucher.
- The Accountant that approves payment on behalf of the Bursar

These officers must append their signatures to the document and in doing so they certify that:

- The bill relates to the financial year in question.
- The bill is for relevant needs of the University.
- An identifiable creditor is involved
- Evidence is available showing that due value has been received by a proper officer of the University.
- Appropriate authority to incur expenditure is evident on the voucher or its supporting documents.

Management Reports

In addition to the preparation of draft estimates and draft budgets, the unit also prepares monthly or quarterly reports on the performance of the budget, showing clearly what has been committed and what is left for the remaining part of the financial year. The Unit also furnishes the Bursar and the Vice-Chancellor, a short list of Votes that have been fully committed and those on which no commitments have been made.

(c) Fixed Asset Register Unit

The Expenditure Unit also maintains a Fixed Asset Register for all fixed assets purchased /acquired. The details of the Fixed Asset Register include;

- (i) Date of purchase
- (ii) Description of item



- (iii) Mode of acquisition i.e. purchased or donated
- (iv) Cost of purchase
- (v) Funding source
- (vi) Identification/serial number
- (vii) Location of assets
- (viii) Cost at time of purchase/acquisition
- (ix) Depreciation method and rate
- (x) Vendor's name and address
- (xi) Date of disposal
- (xii) Realized value at disposal



SECTION 3 THE CASH / TREASURY & INVESTMENT UNIT

- (a) This section is subdivided into two to comply with sections of the financial regulations which require separation of staff that pay or receive money from those who keep and reconcile the records of the financial transactions. The two sections are the **cash and the records and reconciliation office** made up of the Receiving Cashier, the Paying Cashier and the Reconciliation Officer. The two sections work hand in hand to fulfill the following functions for which the unit exists.
- (i) To receive all monies due to the University and issue receipts for the money.
 - (ii) To ensure that all such monies are kept in secure custody until lodged into the institution's bank account
 - (iii) To produce the receipt analysis and summary registers from where the Main Cash Book is prepared.
 - (iv) To pay all staff and student claims.
 - (v) To pay all duly authorized vouchers relating to supplies of goods and services from contractors.
 - (vi) To pay staff salaries, pensions and gratuity claims as duly processed and approved.
 - (vii) To prepare the Cash book for all cash and bank transactions and ensure agreement with cash at hand.
 - (viii) To draw up the daily or weekly fund position statements for the attention of the Bursar and the Vice-Chancellor.
 - (ix) To prepare the Monthly Bank Reconciliation Statements.
 - (x) To keep custody of all original payment vouchers and book copies of all receipt vouchers as well as a record of their movement to other Units until the Internal and External Auditors have acted on them.
 - (xi) To prepare other reports on demand.



(b) Accounting Records

To carry out these duties successfully, the Unit keeps the following books.

- (i) A Register for each bank account to record all payments made on that bank account in their strict serial orders.
- (ii) **Receipts Analysis Register** in which all receipts issued are entered in their serial number order daily; extended to a total column and to a column for the accounts code to be credited with the amount received.
- (iii) **The Main Cash Books**; Despite current computerization, which is intended to produce cash and bank accounts and even reconcile these amounts with statements from the bank, the need for a properly written up cash book is well recognized. The University has several bank accounts. A cash book is maintained for each bank account.
- (iv) **Bank Reconciliation Statement Files**: Bank reconciliation must be done monthly or even more frequently. The monthly statements together with the Bank Statement should be accumulated in files opened for each bank account.

(c) Disbursements

All payments are made through the e-payment system as directed by the Accountant-General of the Federation. The following processes are involved

- (i) Payment vouchers raised in favour of vendors, contractors, staff and students are received from the Internal Audit Unit.
- (ii) The incoming payment vouchers are keyed into the computer system and assigned numbers.
- (iii) A mandate is raised for payment with the following features;
 - Name of the beneficiary
 - Bank details
 - Amount to be paid
 - Purpose of payment
 - Mandate number
 - Authorized signatories



After due authorization, the mandate is uploaded in the payment platform for disbursement.

SECTION 4: SALARY, ADVANCES AND PENSION SECTION (SAP)

Salary/Payroll for new employees

This is where lists of all employees whether on permanent or temporary appointment as well as pension is compiled with a view to determining their salaries and wages in compliance with the terms under which each is remunerated.

For control purposes, the Bursary does not put any person on the payroll unless there is a receipt of a copy of that person's letter of appointment and an appropriate report that the person has assumed duties from the Registrar.

Authority to place any person on the payroll must come from the Registrar to the Bursar. This authority can only be implemented on receipt of the following documents:

- (i) Copy of the Letter of Appointment of the employee to an established position, for which provision had been made in the current year's personnel budget in the University.
- (ii) Letter of Acceptance.
- (iii) Assumption of Duty Certificate, showing details of the employee's actual salary point and date of assumption of duty, employee's bank details and other personal information. These documents must come in a new file opened for the employee in the Bursary.

The above information will enable the salaries unit to complete an input form to place the new staff on the payroll. When changes, such as increment, overtime, promotion, personal taxation and/or pension are advised, a temporary input form is completed to update the employee's payroll file



(b) Flow of Documents for Payroll Input

A new month's payroll processing commences in the third week of the preceding month. The data for the input, flow from the following

(i) Registry for:

New appointments
Promotions
Annual increment
Stoppage of salaries.
Disengagements e.g. Retirement, Resignation, Leave, Change of Status, Death, etc.

(ii) Departments for:

Overtime or shift duties

(iii) Unions for:

Dues and incidental check-offs
Other deductions as might be necessary

All data variations as they concern staff from the Registry are being updated on the Personnel Module of the Pay Programme. Other variations from the departments/units as concerned individual staff are updated on the Payroll Module.

Simultaneously, all memoranda received at the EDP Unit are also cross checked to ensure that all the month's data and variations for staff are correctly captured into the payroll system.

The Computer Unit prints out the Payroll Report separately for each unit. The reports comprise the Pay Summary, Pay Slips, Bank Listing, Departmental Journal and Deduction Schedules. The reports are despatched to Salaries & Wages Unit to raise necessary vouchers and then forwarded to Internal Audit Unit for auditing procedures. After auditing, these reports are brought back to Salaries and Wages Unit with observations (if any) for necessary action. The gross pay is committed into



the Vote Book. The payroll reports are finally forwarded to the Cash Office for payment.

(iv) Payment of National Youth Service Corp

Documents required are:

Letter of Postings

Monthly Clearance Letter

(v) Payment of Students on Industrial Attachment/Students" Work Aid Scheme

Document required is:

Schedule of work done prepared by the Students" Affairs Division

(vi) Payment of Graduate Fellowship Awards, Teaching Assistantship, Skilled Casual Staff and Adjunct Lecturers Documents required:

Letter of Postings

Monthly Clearance Letter

When the above documents are obtained, a file is opened for the individuals concerned and information is entered into the system by the officer assigned to the department through the Basic Maintenance Form filled by the staff.

The Payroll Computer Unit captures all the salaries prepared by individual officers through its server and then prints out the salary reports including deductions which the Unit uses to raise payment voucher. The payment vouchers and salary computer printouts are then sent to the Internal Audit Unit for prepayment audit and thereafter to Cash Office for payment.



(c) LOANS AND ADVANCES

This unit operates to grant loans and advances that have been approved for staff and keeps such individual records as to explain the balances of the control accounts of the institutions general or nominal ledger. Loans and advances are facilities granted to staff either as welfare, or, to assist in furthering a particular course or for the purchase of specific item for official use. These include: Salary, Rent, Touring, Purchase Advances etc.

Processing Advance

Advances are paid to officers to ensure success of official engagements. The processing procedure is as follows:

- (i) The necessary documents of advances are entered in the vote book and forwarded to the Advances section for processing of the payment voucher.
- (ii) Payment voucher is sent for prepayment audit.
- (iii) Payment voucher is sent to the cash office by Internal Audit unit for payment.
- (iv) When touring or purchase is completed, the advance is retired (accounted for), by attaching relevant receipts to justify the expenditure.
- (v) When there is an overspending, an approval is required from the relevant authority to process refund.
- (vi) Where a member of staff fails to retire within the stipulated period, send a letter of reminder. If there is no response, Salaries and Wages Unit is informed to commence deduction from the salary of the concerned staff for recovery.

Retirement of Advance

- (vii) At retirement, the papers will be sent to the Creditors, Debtors and Advances Unit. On receipt of the documents, check to make sure that only original receipts are attached and the amount is not less than the advance collected.
- (viii) Attach the earlier copy of the advance sent to the Unit and input accordingly.
- (ix) Where there is overspending, an approval is required from the relevant authority to process refund.



- (x) Where a member of staff fails to retire within the stipulated period, send a letter of reminder. If there is no response, Salaries and Wages Unit is informed to commence deduction from the salary of the concerned staff for the purpose of recovery.

IMPREST

These are like purchase advances but are given at the beginning of every financial year. The first imprest is paid based on the request from the Dean/Head of Department/Unit. Subsequently, requests are made for replenishment which are treated as retirement of the previous one. Enter expenditure in the vote book, raise payment vouchers and journals, process to Audit and then the Cash office.

(c) PENSION & INSURANCE

(i) Documentation for Pension

The following are the information required for documentation of Retirees for pensions purposes

- Name of pensioner
- Address of pensioner
- Date of birth
- Designation
- Grade and step
- Date employed
- Date confirmation
- Pay point code
- Bank account details
- Pension number
- Pensionable month
- Retirement date

The procedure is the same as for payment of salaries.



(ii) Renewing of Insurance Policies

- Arrange renewal meeting with Insurance Brokers
- Compile and update all assets of the University prior to the renewal date.
- Review all existing policies at the meeting with the Insurance Brokers.
- Obtain register of all the policies from the Insurance Brokers

(iii) Processing of Insurance Claims

- Report immediately to the Insurance Broker, in the event of an accident that may lead to claim.
- Collect details of the event/accident from Estate & Works (E&W) or Physical Planning Department, (PP&D), or the affected department/unit accompanied by a police report and where necessary picture of the incident with the estimate of repair.
- Complete a claim form and attach all the documents relating to the claim, and send it to the Insurance Broker
- The insurance underwriter appoints a Loss Adjuster who conducts the physical inspection of the scene in the presence of officers from Estate & Works (E&W) or Physical Planning Department (PP& D) for the purpose of evaluating the loss and for making necessary adjustments of the estimate of the repair where necessary. If the accident involves motor vehicle, the insurance underwriters appoint their engineers to evaluate and make reasonably necessary adjustment of the valuation.
- The Insurance Broker sends to the Bursar a Discharge Voucher (DV) stating the amount of claim the insurance company intends to pay.
- The Claim Form and Discharge Voucher are sent to Estate & Works (E&W) or Physical Planning Department (PP& D) for evaluation, if the amount of money the insurance company intends to pay is acceptable.
- If acceptable, the DV is signed and returned to the insurance company, otherwise, the DV is returned unsigned.
- The insurance company sends its cheque(s) in respect of the claim to the University.



SECTION 5: FINAL ACCOUNTS SECTION

(a) The specific functions of the unit are to:

- (i) Prepare and report on management account and financial statement.
- (ii) Check summary and detailed Trial Balance for errors
- (iii) Confirm accuracy of records by means of balancing and confirmatory procedures.
- (iv) Prepare monthly, quarterly, half yearly and annual management accounts for the Management and Council.
- (v) Prepare financial statement of the University for Statutory Audit.

(b) Call Over of Receipts and Payment Vouchers

- (i) Confirm accuracy of codes assigned and the correctness of the documents.
- (ii) Raise journal vouchers to correct errors observed
- (iii) Receive payment vouchers and receipts from Cash Office.
- (iv) Arrange both payment vouchers and receipts by bank account name for ease of call over exercise
- (v) File both payment vouchers and receipts according to their respective bank account
- (vi) Retrieve past records for External Auditors and Government representatives (Auditor-General, Accountant General of the Federation) from archives or any other source

(c) Co-ordination of Statutory Audit of University's Financial Statements

- (i) Invite the External Auditors for the annual audit exercise.
- (ii) Agree on a date with the External Auditors for the commencement of the audit exercise.
- (iii) Attend to issues raised by the External Auditors during the audit exercise.
- (iv) Respond to Management Letters from the Auditors.



(d) Visitation by Representatives of various Government Financial Regulatory Bodies & Agencies

- (i)** Receive officials from Supervisory and Regulatory Agencies.
- (ii)** Respond to queries raised (if any).
- (iii)** Responsible for the creation of accounting codes.
- (iv)** Communicate to various units concerned informing them of the created codes.



SECTION 6: STUDENTS ACCOUNTS SECTION

This unit interfaces with the students of the University through the various School Accounts Sections for their Financial Matters during their stay at the institution.

(a) Undergraduate Students

(i) Confirmation of fees payment

Check online receipts generated by students with the bank payment schedules and or the fees payment portal (as the case may be); in order to confirm correctness and completeness of fees paid ; then sign and stamp the receipts.

(ii) Ledger Update

Each student's ledger is updated automatically on-line after payment to reflect current status, however, a back-up, manual ledger of every student is updated at the various School Accounts' offices, with the online receipts and/or, follow-up print-out from the office of the Unit head.

(iii) Opening Ledger for Fresh Students

- Obtain the list of registered students from the admissions office/ Information Communication Technology Centre (ICTC).
- Reconcile the list with the fees payment print-out of each Department/School to ensure full compliance.
- Open ledger page each for a student serially in accordance with their Registration/Matriculation numbers.

(b) Postgraduate Students

The same procedure as for undergraduate students.

(c) Payment to Students

Payments are made to students in respect of Bursary awards, refund of school fees due to wrong payment, overpayment or withdrawal from a programme, refund of hostel fees due to non-allocation of bed space, etc.



(i) Payment of Students Awards

- Ascertain that there is due authority/approval for payment to be made.
- Forward to Expenditure Control for commitment
- Raise payment voucher (PV)
Forward voucher to Audit Unit for verification
- Forward audited PV to Cash Office for e-payment

(ii) Payment of Refunds

- A letter of request by the student concerned is received with the appropriate approval for the refund or payment.
- The student's teller is verified and a payment voucher is raised and signed by the Head of Unit before being sent to Internal Audit Unit for pre-payment audit.
- The audited e-payment voucher is sent to the Cash Office for e-payment.

(d) Students' Final Clearance

- Check the student ledgers to ensure full payment
- Sign and stamp clearance form if not indebted to the University, otherwise, do not clear.



SECTION 7: CENTRAL STORES UNIT

The unit exists to ensure the effective use of available resources of the University by stocking items needed for day to day use in the office. The stores also serve as suitable places for safe keeping of non-stock items bought that may not be for use immediately.

The activities require very good store keeping and the following are the job procedures involved:

(a) Receipt of Goods:

- Receive goods supplied alongside with a representative of the user department after confirming that their specifications agree with what was ordered.
- Raise Store Receipt Voucher (SRV) for all items received.
- Record SRV on the Bin Cards to reflect new stock balances.
- Stack goods in their designated positions in the Store.
- Send delivery note and SRV to the Bursar's office for processing item for payment to the supplier.

(b) Replenishment of Stock

-Advise the Management on replenishment of stock when balances are at re-order level so as to avoid stock out.

(C) Stores Procedure for Stock Taking Exercise

The stores procedure for stock taking exercise is as follows:

- (i) Notification for the exercise is received by the store officer
- (ii) The store personnel arrange the store in an orderly manner.
- (iii) Updated Bin Cards are provided for the exercise
- (iv) The stock takers count the physical stocks and reconcile them



with the Bin Card balances. The following persons sign the stock sheets used for the exercise:

- The Storekeeper
- The leader of the Stock takers
- The Internal Auditors
- The External Auditors

(v) Copies of the stock sheets are distributed to the following:

- The External Auditors
- Internal Auditors
- The Bursary (Final Accounts Unit)

(d) Issuance of Goods:

Stock items are issued based on approval by an authorizing officer or his nominee. Such issuance of stock is made if a properly filled Stores Requisitions and issue voucher has been priced by the stores and controlled by the Expenditure Control unit.

The Stores Requisition and Issue Voucher (SIV) is a medium of allocating stores items to users and is the written evidence for debiting the votes or accounts of the user units. To the Storekeeper it is the only evidence to show that he has parted with stock while to the user unit it serves as a request to withdraw stock. The essential information to look out for on the form by the Storekeeper are:

- (i) Name of item
- (ii) Code of charge
- (iii) Signature of the authorizing officer
- (iv) Quantity required
- (v) Department/School/Unit
- (vi) Unit of issue

