

TERTIARY EDUCATION TRUST FUND

ACCOUNTING

MANUAL

ON

INTERVENTION FUNDS

FOR THE USE OF BENEFICIARY INSTITUTIONS

PREAMBLES

Tertiary Education Trust Fund (TETFund) was set up in 1993 to fund Nigeria Infrastructures in Education Sector and to improve the quality of Education in Nigeria.

The Education Trust Fund was established by an Act of parliament "" Education Tax Fund Act No 7 of 1993". The Act was amended by Act No 40 of 1998.

The Tertiary Education Trust Fund (Establishment, ETC) Act 2011 therefore repeals the Education Tax Act cap E4 laws of the Federation of Nigeria 2004 and Education Fund Act No 17, 2003. The TETFund is therefore charged with the responsibility of imposing, managing and disbursing the tax to Public Tertiary Institution in Nigeria only.

The Act imposed a 2% Education tax on the assessable profit of all registered companies in Nigeria and empowered the Federal Inland Revenue Service FIRS to access and collects the Tax. The Education Trust Fund then, receives the tax from FIRS and disburses to Primary, Secondary, Tertiary and other educational institution across the Federation.

The recent amendment therefore changed the Name from Education Trust Fund to Tertiary Education Trust Fund which is for Tertiary Institution only.

The Fund monitors the projects executed with the monies allocated to the beneficiaries.

The Board of Trustees shall administer the tax imposed by the Act and disburse the amount in the Fund to Federal and State tertiary educational institutions specifically for the provision or maintenance of:-

- Essential physical infrastructure for teaching and learning
- Instructional material and equipment
- Research and publication
- Academic staff training and development
- Any other need which in the opinion of the Board of Trustees is critical and essential for the improvement of quality and maintenance of standards in the higher educational Institutions.

The Board of Trustees shall administer, manage and disburse the tax imposed by the Act on the basis of:-

- Funding of all public tertiary education institutions
- Equality among the states of the Federation in the case of regular intervention.

The distribution of Funds shall be in the ratio of 2: 1: 1 as between Universities, Polytechnics and Colleges of Education.

The Board of Trustees shall have power to give due consideration to the peculiarities of each geopolitical Zone in the disbursement and management of the tax imposed by the Act between the various levels of Tertiary Institutions.

The decisions of the Board of Trustees are carried out by the Secretariat.

VISION

To be a world public sector Intervention agency in Nigeria's Tertiary Education.

MISSION

To deliver effective and transformative Intervention programmes to the Tertiary education system in Nigeria through funding and efficient project management.

INTRODUCTION

The need for an Accounting Manual is borne out of the concern of the Board of Trustees of the Tertiary Education Trust Fund to ensure that requisite

rules, adequate regulations and guidance are put in place to guarantee accuracy, probity and transparency in the management and disbursement of Funds made to the various Tertiary Institutions benefiting from the Education Fund.

The Board of Trustees observed from the report from the Financial Consultants, External Auditors and the Auditor-General for the Federation that funds disbursed to the beneficiary's Institutions revealed the following:-

1. - Poor record keeping
2. - Non-maintenance of separate Cash Book
3. - Misappropriation
4. - fixed Assets Register not kept
5. - Non-adherence to accounting Policies and Procedures e.g. Financial Regulation, Procurement Act etc
6. - Procurement items not taken on stores charge
(No SRV/GRN).

In view of the above, the Board is of the opinion that a uniform accounting practice should be established for the Institutions in line with the Federal Government Financial Regulation guiding the conduct of government finances and accounting procedures.

THE NEED FOR THE MANUAL TO BE REVIEWED

It is a known fact that after the last Accounting Manual, there are various changes in the Accounting policies and procedures that need to be included in the new reviewed accounting manual. Among the policies are as follows:-

- Introduction of E-payment system for all Federal Government Fund.
- Implementation of Public Procurement Act 2007
- Emerging issues in the amendment of the Act.
- Emphasis on the correct computation of VAT & WHT
- Practical approach in Bank Reconciliation Statement on E-payment environment.
- Emphasis on adoption and maintenance of project ledger to disclose the actual payment to date and percentage of total payment.

The production of this reviewed manual took into consideration the requirement of Public Sector Accounting, the provisions of the newly revised Federal Government Financial Regulations policies and extant regulation as well as the new amended Act Tertiary Education Trust Fund.

OBJECTIVES OF THE MANUAL

- To streamline the recording and reporting of expenditures made by the various beneficiary Institutions from the Fund released to them in order to ensure uniform accounting practice in line with Public Sector Accounting, Financial Regulation and extant circulars.

- To ensure regular and periodic reporting by various beneficiary Institutions in order for the TETFund to have adequate control and supervision over the way its funds are being utilized.
- To ensure that up to date records are kept in the approved format by the beneficiary Institutions to guarantee accuracy, probity and transparency in the management and disbursement of the Funds.
- To ensure that each beneficiary Institution separates the TETFund's funds from all other funds by keeping a dedicated separate bank Accounts for TETFund projects.
- To ensure the TETFund monitor and supervise the disbursement of its funds and that the allocation are not utilized for purposes other than those for which they were approved.
- To ensure that due process is followed in the awarded and execution of contracts for TETFund project in compliance with Procurement Act 2007.
- To ensure that adequate Internal Control exist in the management of the project being financed with the TETFund fund by beneficiary Institutions.

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CHAPTER ONE

ORGANIZATIONAL STRUCTURE OF TETFUND AND ITS FUNCTIONS

1.0 INTRODUCTION

TETFund is structured into two segments for implementation of its functions and general organization

- (a) The Board of Trustees
- (b) The secretariat

1.1 The Board of Trustees

According to section 4(1) of the Act 'The Board shall consist of

- (a) A chairman who shall be a person with good knowledge in Finance and Administrative matter
- (b) each Person representing a geo-political zone in the country
- (c) a representative each of the following Federal Ministries who shall not below the rank of a Director.
 - (1) Education
 - (2) Finance
- (d) A representative each from the Universities, polytechnics and colleges of Education.
- (e) The Executive secretary who shall be the secretary to the Board of Trustees.

1.2 The membership of the Board of Trustees shall reflect the six geographical zones of the Federation. The members Board of Trustees shall:-

- (a) Be person with considerable experience from both the public and private sectors to represent the business, financial and education sectors.
- (b) Be appointed by the president on the recommendation of the Minister.
- (c) Other than the *ex-officio* members, each hold office for a term of 4 years in the first instance and may be eligible for reappointment for a further term of 4 years and no more.
- (d) Be paid sum remuneration and allowance as the president may, from time to time determine.

The Board of Trustees shall administer the tax imposed by this Act and disburse the amount in the fund to Federal and State Tertiary Educational Institutions.

1.1.0 **FUNCTION OF THE BOARD OF TRUSTEES**

- (a) Monitor and ensure collection of tax by the Federal Inland Revenue Service and ensure transfer to the fund account.
- (b) To disburse the tax to the appropriate Tertiary Institutions.
- (c) Receive request and approve admissible projects after due Consideration.
- (d) Ensure disbursement to various levels and categories of Education.

- (e) Updates the Federal Government on its activities and Progress through annual audit report.
- (f) Review progress and suggest improvement within the Provisions of the Acts.
- (g) Invest funds in appropriate and safe securities
- (h) Monitor and evaluate execution of projects
- (i) Do such other things that are necessary or incidental to the Objective of the Fund under this Acts or as may be assigned by the Federal Government

1.2.1 **Appointment of the Executive Secretary and other Staff**

There shall be for the Fund an Executive Secretary who shall be appointed by the President on the recommendation of the Minister and to be the Chief Executives and Accounting officer of the Fund. He heads the second segment "secretariat" of the fund.

The secretariat of the fund comprises office of the Executive Secretary and Seven departments. Each department is headed by a Director and another Director in the Office of the Executive Secretary. In each department, there are divisions and units for effective operations.

The portfolio of the Directors are as follows:-

- (i) Director - Executive Secretary Office
- (ii) Director - Finance & Investment
- (iii) Director - Corporate Planning & Development
- (iv) Director - Monitoring & Impact Assessment
- (v) Director - Project Management
- (vi) Director - Education support Services
- (vii) Director - Human Resource Management
- (viii) Director - Information & Communication Technology

1.2.2 The Goal of TheTETFund

- To continuously improve Education Tax Revenue by ensuring that the tax is collected and made available for TETFund intervention programmes.
- To deliver appropriate and adequate intervention programmes with due regard to the sensitivities of beneficiaries and stakeholders.
- To promote cutting-edge technologies ideas and organizational skills in education and ensure that projects are forward looking as well as responding to present needs.
- To ensure successful completion of intervention projects
- To form a viable and enduring partnership between the TETFUND and its stakeholders.
- To manage Education Tax in a way that is most beneficial to the people
- To recruit, retain, train and retrain a highly motivated workforce.
- To plan, undertake research and create reliable databank for improvement of education in Nigeria
- To ensure accountability and transparency in all its undertakings.

1.3.0 Office of Executive Secretary

There are four units in the office of the Executive Secretary:

- (a) Internal Audit
- (b) Legal & Board secretary unit
- (c) Public Relation unit
- (d) Servicom unit.

1.3.1 **Internal Audit Unit**

The objective of the Internal Audit unit are :-

- Providing reasonable assurance regarding the Integrity and reliability of Financial and operating Information.
- Ensuring compliance with applicable laws and regulations
- Ensure that assets are safeguarded and as appropriate verify the existence of such assets
- Improve the efficiency and effectiveness of operations.

1.3.2 **Legal & Board secretarial Unit**

The unit is also under the Executive Secretary. It is responsible for Legal and Board Secretarial matters in the TETFund. One of the major functions is advising the management and the Board of Trustees on all Legal matters.

1.3.3 **Public Relation Unit**

This unit is responsible for providing publicity for the fund and its activities. It also articulates for positive Public Relation for the fund as well as perform other related duties

1.4.0 **Departmental Structures and functions**

1.4.1 **Finance and Investment Department**

The objective of this department are:-

- To provide an effective and efficient Financial Management Accounting system
- To provide quality cost management and control.
- To provide accurate and timely periodic financial statement for decision making by management and Board of Trustees.

- To provide efficient and effective enhanced returns, ensure safety and assure liquidity.

1.4.2 **Education Support Service Department**

The functions of the department includes:-

- Generation of admissible Academic based Intervention programme/project Implementation frameworks, Instruments processing tools and prototypes.
- Playing advisory roles via office professional advice on implementation policies and policy analysis, reviews and marketing to Executive management/BOT proposals of Intervention ideas/concepts: operational policies, generated Academic Research-based projects co-ordination and management in liaison with beneficiary Institution.

1.4.3 **Human Resource Management Department**

The department is responsible for the following:-

- Assist the Executive Secretary in the day to day administration of the fund
- Advise the management and Board on the vision and strategic framework for the management of the Funds' Human Resource and the supporting policies and practices.
- Determine the appropriate organizational structure of the Fund, recruit and place staff. Provide welfare and or execute welfare scheme as may be approved from time to time, execute an approval system train and develop staff, provide exit strategy for retiring staff.

- Optimally manage facilities, provide Insurance coverage for personnel and assets, procure goods and services and ensure their utilization.

1.4.4 **Corporate Planning & Development**

The mandate of department of corporate planning & Development is to:

- Proactively monitor the assessment and collection of education tax by FIRS, and ensure transfer of same to the education tax pool account with CBN.
- Develop strategic plan and transformative intervention programmes that are responsive to the changing educational needs of the Nigerian Public Institutions.

The department is made up of two divisions and also supervises the fund's library. The divisions are:

- Funds Generation Division, and**
- Planning & Budget Division**

(i)Funds Generation Division

Functions:

- Undertaking duly visits to the offices of Federal Inland Revenue Service for monitoring of Education Tax collections
- Attending Federal Inland Revenue Service meetings to reconcile Education Tax returns.

- Analyzing monthly returns obtained from Federal Inland Revenue Service to ascertain degree of compliance with set targets and reconciling monthly CBN statement of account
- Quarterly joint TEFTUND/FIRS technical meeting to discuss Education Tax monitoring matters.

- Organizing and hosting annual joint TEFTUND/FIRS Interactive forum.

- Establishing and updating Education Taxpayers database.

- Planning and participating in conjunction with FIRS in identifying defaulting organizations and the execution of TETFund arrears drive.

- Planning and execution of annual Taxpayers' Forum in collaboration with FIRS for the purpose of tax payer's education on the activities of TEFTUND.

(ii) Planning and Budget Division

Functions: -

- Data collection, collation, storage, analysis for the purpose of determining beneficiaries needs in the education sector.

- Preparation of TETFund annual intervention budget.

- Tracking the performance of the budget through relevant departments to ensure that Intervention activities remain focused.
- Develop and monitor the implementation of TETFund plan document.
- Organize capacity building workshops for our beneficiaries to support the delivery of transformative intervention programmes
- Liaison with relevant regulatory agencies to receive Accreditation report on institutions and appraise it for TETFund intervention purposes.
- Facilitate the conduct of cutting-edge research on activities that will promote national development and build the capacity of Nigerian researchers.
- To supervise and coordinate the operations of the TETFundLibrary.
- To provide the secretariat for the BOT Strategic Planning Committee and National Research Fund Committee.

1.4.5 Monitoring and Impact Assessment Department

The functions of the Monitoring and Assessment Department are as follows:

- (i) Receive a copy of project implementation plan from the relevant Department(s).
- (ii) Receive project file from Project Management Department after the second tranche payment.
- (iii) Receive invitation for inspection of completion by beneficiaries.
- (iv) Carry out monitoring for that release.
- (v) Recommend release of final tranche.
- (vi) Project documentation.
- (vii) Develop Monitoring Evaluation and impact Assessment guidelines and templates.
- (viii) Recommend appropriate cause of action after project monitoring.
- (ix) Provide reports to Management and Board on Monitoring Evaluation and Impact Assessment activities.
- (x) Maintain photo/Data bank on all projects of the fund.
- (xi) Carry out any other assignment as may be directed.

1.4.6 Information and Communication Technology

The Department performs the following functions:-

- (i) Provision of timely accurate and high quality information to enhance decision making.
- (ii) Maintain a strong linkage between the Fund business strategies and IT Strategies.

- (iii) Implement information technology policy of the Fund.
- (iv) Conduct ICT needs assessment study for the Fund and its beneficiaries vetting of ICT projects and conducting impact assessment to ascertain compliance with industry standards.
- (v) Provide advice on aspects of ICT investment in hardware and software to the Fund and its beneficiaries.
- (vi) Keep up to date with advances in information technology to ensure that management are fully aware of relevant products and developments.
- (vii) Monitor the SLAs (service level agreements) of ICT service providers to ensure compliance with stipulated standards.
- (viii) Coordinate the activities of the departmental management information system desks for quality assurance.
- (ix) Support and empower the Fund staff through:-
- Effective and innovative use of current and future technologies
 - Training of TETFund staff on ICT with a view to developing their capacities.

- (x) Maintaining the Fund ICT infrastructures including servers laptops/desktops and data communications networks.
- (xi) Updating and maintenance of TETFund website.
- (xii) Conducting project management and quality assurance activities for TETFund internet ICT projects and beneficiaries.

CHAPTER TWO

Request Methodology And Access Of The Fund Programmes For Individual Institutions

2.0 Introduction

In the beginning of each financial year each Tertiary Institution are requested to forward their intended programmes/project' to the fund.

The following are the areas in which funds will be released to the Institutions.

- (a) Normal Intervention Projects
- (b) Entrepreneurship centre
- (c) Library Development
- (d) Research
- (e) Academic Staff Training & Development
- (f) Publication of Journals
- (g) Publication of Scholarly manuscript into books
- (h) Conference attendance.

The Fund will vet the entire request and recommend for the Board of Trustees of the fund for the approval.

The approval shall depend on the following conditions:-

- a. All proposals for accessing the funds shall be purely of academic relevance addressing deficiencies in the core academic areas in line with the accreditation requirements of the individual regulatory agency;
- b. It is important to consult widely within the academic community before project proposals are submitted to the fund for reconciliation. Emphasis should be placed on essential physical infrastructure learningresources, library development, academic staff training, research and scholarly publications;
- c. Proposals for Research and Academic Staff Training & Development, should comply with the guidelines;
- d. The Library development shall solely be handled professionally by the Institution's Librarian in view of its special nature. Correspondence to the Fund in this regard should be signed/endorsed by the Librarian;
- e. Projects should be prioritized within the approved allocation to your Individual institution;
- f. Concurrent utilization of allocations is not allowed. All on-going intervention projects should be concluded before accessing subsequent allocation. However, the merger of un-accessed allocations can be granted;
- g. Observance of the Due Process at all stages is mandatory in order to access the allocated funds. In this regard, all proposals must be submitted to the TET Fund for reconciliation and Approval-In-principle (AIP) before advertisement, vendor pre-qualification and tendering.

Evidence of compliance with the requirements of the Public Procurement Act 2007 is mandatory for release of funds. Project proposals which ignore or short-circuit this procedure shall not be considered for reconciliation or release of funds;

- h. Beneficiaries are strongly advised to invite officials of the Fund to observe the opening of Bids two weeks to the scheduled date;
- i. The Fund shall no longer entertain projects implemented in endless phases. All the projects should be conceived and implemented in a single phase based on annual or merged allocations;
- j. In line with the Public Procurement Act 2007 Material (advance) payments to contracts shall not exceed 15% and such must be guaranteed by a reputable bank. It is also mandatory to obtain Performance Bond from Contractors executing TETFund projects and this must be valid for the entire duration of the contract; and
- k. Project inspection after the release of the 1st tranche shall precede release of the 2nd and final tranches, subject to satisfactory retirement of the preceding funds advanced.

2.1 The Following Individual Guideline In Respect Of Specific interventions are stated below:-

2.1.1 Normal and Library Interventions

In order to facilitate the smooth execution of each of this year projects, the release of the funds shall be in two/three installment/tranches as follows:

- ❖ 1st Tranche - 50% of the allocation for construction-related projects after reconciliation of the projects with TETF, issuance of AIP by the fund and observance of the Due Process of Advertisement, Pre-qualification, Tendering and Offer of Award by your institution.

- ❖ 2nd Tranche - 35% after satisfactory utilization of the Initial 50% released for construction.

- ❖ 3rd Tranche - 15% upon satisfactory completion Certificates, remitted to TETF, inscription to specification and inspection by the fund.

Please note that it is possible for the 1st and 2nd Tranches be combined for all items of procurement.

2.1.2 Project submission requirements for accessing funds:

A) The First (1st) Tranche

- (i) Approval-in-Principle
- (ii) Evidence of Due Process, the documentations of which must containThe following:

- Evidence of Advertisement of the projects
- Evidence of Pre-qualification
- Evidence of Invitation to Tender
- Evidence of Opening of Tenders
- Copy of Attendance Register at the Opening of Tenders
- Bid Evaluation Documents - Tenders Analysis, Minutes of Tenders Board Meeting, Minutes of Approving Authority
- Letter of commitment to commence the projects immediately on release of 1st Tranche
- Programme of Works (endorsed by the Contractor and institutions CEO)

(B) The Second (2nd) Tranche - (to be submitted in duplicate)

- (i) Copy of Due Process Certificate
- (ii) Copies of Letters of Offer of Award of Contracts and Acceptance by contractors
- (iii) Copy of Advance Payment Bond (if given)
- (iv) Copy of Performance Bond
- (v) For Procurements - Local Purchase Order/Job Order
- (vi) Progress Report Forms
- (vii) Progress Photographs
- (viii) Consultants' interim certificates (where applicable)
- (ix) Stores Receipt Vouchers (SRVs)
- (x) Payment Vouchers (PVs)

- (xi) Payment receipts
- (xii) Current Bank Statement (showing lodgments& Withdrawals
- (xiii) Financial Returns on Projects (Form No. TETEF/DF/IAU/FR/01)
- (xiv) Expenditure on Projects (form No. TETF/DF/IAU/FR/02)
- (xv) Bank Reconciliation Statement
- (xvi) Evidence of Project Signboard to specification
- (xvii) Report of inspection by staff of the Departments of Project Monitoring Management and /or Education Support Services of the Fund.

(C) The Third (3rd) Tranche - to be submitted in duplicate

- (i) Inspection Report by Officers of the Fund, confirming 100% completion of all approved projects.
- (ii) Progress Report Forms.
- (iii) Progress photographs showing branding in line with TETF's specification.
- (iv) Consultants' Final Certificates (where applicable)
- (v) Practical Completion Certificate.
- (vi) Evidence of Inscriptions on the projects.
- (vii) Stores Receipt Vouchers (SRVs).
- (viii) Payment Vouchers (PVs)
- (ix) Payment receipts

- (x) Current bank Statement (showing lodgments& Withdrawals)
- (xi) Financial Returns on Projects (Form No. TETF/DF/IAU/FR/01)
- (xii) Expenditure on projects Form (Form No. TETF/DE/IAU/FR/02)

2.1.3 **Academic Staff Training & Development**

In addition, to complying with the conditions and requirements stated in the templates, ETF/FPM/SDI.P/FORM and TETF/DPM/NED CAL (that will be given). The following should be noted:-

- The amount of funds for staff training and development to be held by TETFund and disbursed on your recommendation.
- The amount is for academic staff training and development
- The funds shall be used for:
 - (a) Sponsorship of academic staff for postgraduate training within and outside Nigeria.
 - (b) Academic staff development through sponsorship for short-term doctoral research (i.e. bench work for PhD candidates in pure and applied science for access to state-of-the-art facilities) for lecturers already pursuing their doctoral degree courses in Nigeria.
- Priority shall be given to Science Education & and Instructional Systems Designing, Sciences, Technology and Engineering-based courses and programmes (aligning with the zonal considerations - see templates TETF/FPM/SDI.P/FORM and TETF/DPM/NED.CAL attached)

- The list of nominated academic staff should be forwarded to TEFTUND using TETF/NOM/SDT/FORM BAS (see TETF/FPM/SDI.P/FORM for vetting and reconciliation).

2.1.4. Research Fund

In addition to complying with the criteria stated in Checklist for document 5 (that will be given) templates TETF/DPM/SDI.P/FORM and TETF/DPM/NED.CAL the following should be noted:

- The research fund is to be held by TETFund and disbursed based on the vetted submission of each institution.
- The research funds will be central and competitive within the beneficiary institution. Minutes of the relevant Committee (Research Committee/Board shall be forwarded to TETFund along with your recommendation.
- Selection shall be merit based, on individual or group proposals.
- TETFund should be acknowledged as the sponsor of the research in a footnote in the first page of a paper/monograph or as appropriate in a book/report.
- Proposals accepted by the institution shall be forwarded to the TETF for vetting and reconciliation, stating:
 - a. The type of research (include a copy of the accepted proposal)
 - b. Whether individual or group (indicate the number of academic staff involved and their disciplinary backgrounds)
 - e. Step-by-step implementation plan and the amount required for each step, based on which the funds will be disbursed and programme monitored.

2.1.5 Publication of Journals

The funds allocated should be used to establish or support the publication of a maximum of two (2) central and multi-disciplinary (as against Faculty or Departmental) scholarly journals. In submitting proposals for release of funds, the institution is required to forward the following:

- Back copies of the last 3 editions of the journal (where it exists) or an artist impression of the cover page (if it is being established).
- Composition of the Editorial Board.
- Editorial policy, frequency (annual, quarterly, etc), copyright and other details (usually contained under "notes to Contributors").
- Evidence of registration of title with the National Library of Nigeria as an international serial (i.e. ISSN).

Please note that;

- TETFund should be appropriately acknowledged in all editions of the journal.
- 3 copies of each TETFund-funded edition should be forwarded to TETFund for record purposes in the library.

2.1.6 Publication of Manuscripts into Books

It is obvious that many academic staff has well-researched manuscripts of books but cannot publish for lack of funds. Consequently, provision is hereby made to address this challenge. The guidelines for accessing funds under this intervention are as follows;

- i. Manuscripts must be of sound quality, containing original ideas in the Author's main area of specialization;
- ii Manuscripts must be peer reviewed;
- iii Manuscripts must be published by a reputable publisher. This is in order to discourage self-publication;
- iv Manuscripts must use ISBN issued by the National Library of Nigeria;
- v. Implementation Plan indicating commencement and expected date of completion must be provided;
- vi Cost estimates of manuscript development and production must be provided;
- vii Manuscripts must be approved by the relevant Committee of the University supported by Minutes of the Committee's meeting;
- viii All submissions must be endorsed by the Vice Chancellor; and
- ix Manuscripts of the book, accompanied by evidence of compliance with items ii - vi above, must be forwarded to TETFund before the request is processed.

2.1.7 Conference Attendance

The allocation for Conference should be shared in the ratio of 70:30 exclusively between the academic and non-academic staff. **However, Principal Officers of your institution are excluded from using this facility.**

The following conditions are mandatory for accessing the funds:

- Institutions/Staff must present letters of invitation as evidence of announcement of the Conference.
- The Funds allocated should be used to support staff to attend short Conferences in relevant disciplines.
- Conference attendance should be planned in such a way that the total number of staff to attend local or international conferences should be identified and the costs involved specified before approval is granted by the TETFund.
- Proposals for sponsorship of conference attendance should be made bearing in mind that staff are selected for the programme in turns/batches to ensure equity and fairness.

2.1.8 Entrepreneurship Centre

The following guidelines must be adhered to in the establishment of Entrepreneurship Centre:

- Construction of a separate building or renovation of existing ones that will accommodate at least 50 students and personnel at a given time.
- The building structure must be practically completed and functional within the amount allocated for the Centre.
- The Centre should have a variety of trades/professional skills and facilities.

- Course evaluation and evidence of collaboration with other professional bodies and individuals must also be ensured.
- Provision must be made for capacity building, training, manuals and teachers/instructors guide.

CHAPTER THREE

RECEIPT PROCEDURES AND BANKING SYSTEM

3.0 INTRODUCTION

The objective of this chapter is to ensure that disbursements to beneficiary institutions for TETFund projects are:

- (a) Received by the beneficiary institutions on time
- (b) Transferred into the TETFund project bank account of the Beneficiary Institutions.
- (c) Distributed to and recorded in the Cash Book according to the projects/purpose of the fund.
- (d) Balance of each sub-Head are easily identified
- (e) E-payment rules are followed as stipulated in the extant rules and regulation.

3.1.0 The following points must be noted in the operation of TETFund project funds.

3.1.1 Each beneficiary Institution is expected to open a dedicated bank account solely for TETFund projects to be separated from other accounts of the Institution. (e.g. university of Ilorin/TETFund project Accounts)

3.1.2. Equally, the details of the bank account should be forwarded to the TETFund office, such as the name of the Bank Account Number, sort Code. With the introduction of E-payment any of the tranche released are transferred to the beneficiary Institution account and

the Desk officer is expected to obtain details of the purpose of the amount transferred to the account.

- 3.1.3 Email address of the Desk officer must be forwarded to the TETFund office for any important information to be passed and especially forwarding the details of the purpose(s) of the fund released. The Desk officer is expected to check his/her mail every two day for any information that might be sent from TETFund office.
- 3.1.4 The Desk officer should obtain credit advice from the bank in respect of the allocation credit to the account for the purpose of raising receipt voucher for posting into the cash book.
- 3.1.5 Allocations of fund to beneficiary institutions are communicated directly in writing and published on TETFund web site for the information of beneficiary Institution and the public at large.
- 3.1.6 Under no circumstances should any transfer meant for beneficiary institutions are paid into individual name bank account without TETFund project account inclusive.
- 3.1.7 In case the credit advices are sent by post to the Accounting officer he shall forward same to the Account Department/Bursary. The Advice is immediately entered into the credit Advice Received Register.
- 3.1.8 The Desk office is expected to promptly enter the credit advice into the cash book with receipt voucher of which the credit advice shall be the supporting document.

3.2.0 TYPE OF BOOK/DOCUMENT TO BE KEPT

- (i) Cash Book
- (ii) Control/Vote Book
- (iii) Payment Voucher Register
- (iv) Procurement Planning Committee Minutes
- (v) Tender Board Minutes
- (vi) Bank mandates file
- (vii) Bank Statement file
- (viii) Bank Reconciliation Statement File
- (ix) Payment Voucher File
- (x) Credit Advice File
- (xi) Contract/Project Register

3.2.1 CASH BOOK

It is mandatory that cash book must be maintained to record the transaction of the allocation for the TETFund Projects.

- Separate Cash Book for banking transaction on TETFund projects are kept by beneficiary institution distinctly from other cash books maintained by the institution.
- All transactions through the dedicated TETFund Project Bank Account are captured in the TETFund project Cash Book
- All payment entries into the TETFund Project Cash Book are made from duly approved Payment Vouchers.
- All entries into the TETFund Project Cash Book are coded according to their various TETFund Projects Accounting Codes.

- All entries into the TETFundProject Cash Book are summarized and analyzed into the respective projects for posting into various project accounts in the project Ledger at the end of the month (or are captured simultaneously, real time, in various project accounts in the Project Ledger, in case of computerized accounting systems).
- Upon receipt of credit advice in respect of disbursement received from the Fund are promptly debited into the dedicatedTETFund cash Book and these should also be analyzed under the various project headings according to the Project Account Codes to which they relate.
- Where counterpart funds are involved the institution is required to pay certain percentage of the total cost of the project, in that case, the Accounting officer shall communicate to the Bursar the approved amount to be transfered to the TETFund Project Bank Account.
- The Desk Officer shall ensure that the counterpart funds are lodged or transfered into the dedicated TETFund Project Bank Account and appropriate debit entries made in the TETFund project Cash Book. These should also be analyzed into the respective projects according to the Project Account Codes to which they relate.
- The Desk Officer shall ensure that all duly approved payment vouchers for which mandates have been duly issued and signed by the authorized signatories are credited into the TETFund Project Cash Book and are properly analyzed into the respective projects according to the project Account codes to which they relate.

- The Desk Officer shall ensure that all entries into the TETFund Project Cash book are balanced, ruled off and summarized monthly under each project before being posted into the respective project account in the Project ledger.
- The Desk Officer shall sign the cash book at the end of every month. He shall append his signature as a certification of the correctness of the entries and balance. The cash book will be supported by a balance statement as shown below:

Opening balance (i.e the closing balance	N
The previous month)	xxxxxxx
Add: Total receipts for the month.....	xxxxxxx
Deduct: Total payments for the month.....	<u>xxxxxxx</u>
Closing balance.....	<u>xxxxxxx</u>

Specimen of the Cash Book

SPECIMEN OF DEBIT SIDE OF THE CASH BOOK

DATE	RECEIPT/CREDIT ADVICE NO.	DESCRIPTION	AMOUNT

SPECIMEN OF CREDIT SIDE OF THE CASH BOOK

DATE	PV. NO.	PROJECT CODE	BANK MANDATE NO.	PAYEE	DESCRIPTION	AMOUNT

3.2.2 It is compulsory for the Desk Officer to update the Cash Book once the allocation is received. In cases where credit advice is not given, photocopy of the Bank Statement and the page where the allocation sent are reflected should be used to raise the receipt voucher to update the cash Book.

3.2.3 Under the description you can just write "FromTETFund" and record the amount

3.2.4 The date recorded or the date of payment should be stated. The payment voucher should be serial, the project code or the sub-head on the payment voucher should be indicated on the Cash Book.

- The Bank mandate number must be stated on the cash Book and the name on the mandate should correspond with the payee.
- The purpose of the payment which is the description should - be clearly stated.
- The net amount paid should be stated on the amount column.

3.3.0 Bank Mandates schedule and E-payment Procedure

In September 2008, Federal Government of Nigeria directed that as from 1st January, 2009 all forms of payment from all Government funds will be effected through the Banks electronically. The statement was consequently supported with Federal Treasury Circular Ref. No. TRY/A8&B8/2008 dated 22nd October 2008 issued by the Accountant-General of the Federation

Commencing from 1st January, 2009, all organs of Government, Ministries, departments and Agencies shall stop using cheques to make payment to contractors.

Contractors of Government must indicate their bank account's particulars with commercial Banks on the invoice submitted for payment under their corporate seal.

Mandates containing details of payment shall be issued to Banks Instructing them to pay into the contractor's designated bank Accounts the net proceeds of the contract sum. In addition, for the existing monthly financial returns, every organization of Government MDAs must forward copies of mandates issued to the office of the accountant-General of the Federation. Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank in to which all payment due to him/her must be paid. On no account should central pay officers (CPO) collect cash from the bank for the purpose of disbursement to any Government Officer.

3.3.1. **Definition of E-Payment**

E- Payment is an electronic payment which is the application of electronic means in the financial interaction between the customer(s) and the bank(s).

E-payment is a subset of E-Governance which is any fund of non - cash payment that does not involve a paper cheque. It is the application of electronic process in the settlement of financial transactions between Government and Businesses through the use of computer system and communication facilities without manual interventions. It entails a cashless, online, real time banking system which eliminate the use of cheque books and bank cheque. When it comes to payment options, electronic payment is most convenient. You don't have to write a cheque, swipe a credit card or handle any paper money: all you have to do is enter some information into your web browser and click your mouse.

3.3.2 **Data Required to Effect Payment**

Information in the mandate schedule forwarded to the Bank should contain the following:

- Unique Mandate Number
- Payment voucher Number
- Beneficiaries Number
- Bank Account Number
- Date
- Name of the Bank
- Sort Code
- Amount (in figure & Words)

- Purpose of payment
- Names & Thumb print of the signatories.

FORMAT OF BANK MANDATE SCHEDULE

EPT/NO.OH/2010/0001

Date.....

The Manager
Eco Bank PLC
OluAreme
Ogun State

Please credit the account(s) of the under listed beneficiaries and debit our Account Number WXY2000123456 accordingly.

S/N	PV NO.	BENEFICIARY	BANK	SORT CODE	ACCOUNT NUMBER	AMOUNT	PURPOSE OF PAYMENT

Total.....

Authorized signatory..... Authorized

Signatory.....

Name..... Thumb print..... Name..... Thumb Print.....

Note: The payment voucher number's may be excluded when forwarding to the Bank but after it has been stamped received the

payment voucher number can then be indicated. However, for transparency sake, the payment voucher should be indicate before passing to the Bank.

3.3.3 **Benefits of the E-payment**

- It eliminates unacceptable delay in the payment to government contractors
- It fast tract the process of implementation of Government activities and remove unnecessary bottlenecks and abuses in the use of cheque and cash
- It facilitates audit trails of all payments to the relevant Bank Account of individuals or companies that paid or received the funds.
- It is convenient for the customer
- Status of all payments can be monitored on-line real time via Internet Banking.
- It enhances transparency and accountability.
- A stating point towards achieving a cashless society.

3.3.4. **Use of Operational Account**

This is a Bank account opened on behalf of the agency for its departmental imprest. The Staff responsible for managing the account are introduced by the Agency to the bank authorizing such officer as signatory to the account for office use. The account is domicile in the name of the Agency/the name of the nominated signatory. The office has a total control on the account and can call for its statement at her discretion.

In case of any eventuality, the office writes to the bank for further directives in the interest of the public.

3.3.5 **Challenges of E-Payment That Should Be Noted:**

- Severe delay in the payment of fund to beneficiaries including salaries of staff which in some cases due to wrong account numbers and sort codes leading to lack of clarity of account number to be credited.
- Overpayment of salaries and other payment due to mistake of imputing one account number in two names. e.g . The same Bank, the same surname but different initials. Example Olubumi I.O. and Olubumi O.Y. Ecobank, Account number of Olubumi I.O is used for Olubum O.Y. since the account number is the same, Olubumi I.O. will receive the amount
- Inadequate information on bank statements for reconciliation purposes, due to the bulk amount on the mandate debited instead of individual amount as listed on the mandate schedule. The bank should be communicated in writing not henceforth debiting your account with the bulk amount rather than individual names on the mandate, might result to withdraw of your funds from the Bank.
- Delay or lack of feedback from banks on status of transactions which the MDAs believed that payment has been effected.
- Non- availability of branch of banks in rural areas.

3.4.0. Bank Reconciliation Statement

- It is compulsory for the Desk officer to prepare bank reconciliation statement of the TETFund project account .i.e. reconciling the cash book balance with the Bank balance at the end of each month.
- Unapplied mandates after six months should be written back in the cash book.

Note: Unapplied mandates are those names on the mandates schedules to the bank that were not paid due to one reason(s) or the other.

- Charges on the bank statement made by the bank are checked for authenticity and correctness, before being posted to the TETFund Project Cash Book.
- Discrepancies in the bank statement are taken up in writing to the bank and effectively followed up until reversed by the Bank, with an advice to that effect.
- Prompt action are always taken to obtain bank advices to confirm the various entries in the bank statement as the effectiveness of bank reconciliation statement lies in the prompt clearance of outstanding items. Such advices file and a copy attached to the entry.

3.4.1. Practical Approach to Reconciling the Bank Statement with the TETFund Project Cash Book balance.

- The Desk officer should ensure that Bank statement is collected from the bank within the first five working days after the month end.

- Cross check that the opening balance on the current bank statement agrees with the closing balance in the previous month's statement. The two must agree or the difference taken up with the bank
- In case the bank statement contain transactions that split over after the 30th of the month, a red biro should be used to rule exactly the last working date of the month he intent to carry out the Bank reconciliation. This action will prevent him/her not to pick transactions on the bank statement after the end of the month.
- The un-cleared items in the last month reconciliation schedules should be treated first.

The schedules are:-

- Schedule "A" - **Unapplied mandate or unrepresented cheques.**
Lists out the unapplied items from the mandate that have not been paid.
- Schedule "B" - **Credit in Bank not in cash book:** These are direct payment made either by the student or other person that the teller had not been presented for official receipt and record in the Cash Book.
- Schedule "C" - **Un-credited Lodgment:** These are lodgment made to the bank which does not reflect in the Bank statement. Date of lodgment should be noted, because most of the lodgments are automatic, where it is not so, investigation must be made.
- Schedule "D" **Debit in Bank not in Cash Book:** Generally any amount debited into the bank statement without the acknowledgement of the Agency need to be investigated. Though COT is one of the items in these categories, the correctness of the C.O.T still need to be confirmed.

- All the items in the schedule must be ticked into the current Bank statement and extract out others that have not been reflected in each schedule.
- Debit entries in the bank statement are ticked against the credit entries in the TETFundProject Cash Book.
- Credit entries in the bank statement are ticked against the debit entries in the TETFund Project Cash Book.
- The un-ticked debit and credit entries in the bank statement and unticked debit and credit entries in the TETFund Project Cash Book are listed out into the schedule each belongs or fall into e.g Unapplied items in the mandate that have been credited in the TETFund Project Cash Book which has not been paid by the Bank will fall into schedule "A" unapplied mandates. (Former Un-presented cheques).

Format of Schedule A - D

Schedule 'A'Unapplied Mandates

DATE	MANDATE NO	DESCRIPTION	AMOUNT ₦	REMARKS
2/3/2010	CAP/Uni/Ilorin/2/2010	Olusola A.A.	230,000	
2/3/2010	CAP/Uni/Ilorin/2/2010	Ajayi S.A.	40,000	
		Total	270,000.00	

Schedule 'B' Credit In Bank Not In Cash Book

DATE	TELLER NO.	DESCRIPTION	AMOUNT ₦	REMARKS
5/7/2010	74750	A.O. AJAYI	5000.00	
10/7/2010	74789	G.O. Ogunsola	5000.00	
15/7/2010	Transfer from TETFund	1 st Tranche	5,000,000.00	
		Total	5,510,000	

Schedule 'C' Unaccredited Lodgment

DATE	RECEIPT NO.	DESCRIPTION	AMOUNT ₦
4/7/2010	47470	E.O. Mary	50,000.00
8/7/2010	47480	B.Gbenga	100,000.00
		Total	150,000.00

Schedule 'D' Debit in Bank not in Cash book

DATE	MANDATE NO.	DESCRIPTION	AMOUNT ₦
20/7/2010	Transfer	F.O. Banni	500,000.00
21/7/2010	Charges	COT	5,000.00
23/7/2010	"	B.O. Sola	100,000.00
24/7/2010	"	VAT	5,000.00
25/7/2010	"	Cheque Book Charges	10,000.00
		Total	₦615,000.00

- The list of un-ticked debit entries in the bank statement shall consist of the following:-
 - (a) Charges in the bank statement not taken up in the TETFundProject Cash Book
 - (b) Wrong debit entries by the bank (if any), to be taken up in writing till reversed by the bank. E.g. cheque books charges cannot be, as there has not been any cheque in use in the era of E-payment. Cheques book charges are wrong debit.
- The list of un-ticked credit entries in the bank statement shall consist the following:-
 - (a) Direct transfer from TETFund for which the beneficiary is yet to receive an advice
 - (b) Direct payment of school fee which the student had not presented the teller at Bursary for official receipt.
 - (c) Wrong credit entries by the bank
- The list of un-ticked debit entries in the TETFund project Cash Book shall include:
 - (a) Lodgments made into the bank but which were not reflected in the bank statement.
- The list of un-ticked credit entries in the TETFund project Cash Book would also include:
 - (a) Unapplied mandate i.e these names in the mandate that were not yet paid by the bank or returns mandates.

3.4.2 PREPARING BANK RECONCILIATION STATEMENT

Bank reconciliation statement will be prepared as follows:

UNIVERSITY OF AJAOKUTA

Bank Reconciliation Statement for the month of February, 2010

	N	N
Balance as per Tetfund Project Cash Book		xxxxxxx
Add Un- applied mandates Schedule 'A'	xxxxxxx	
Add Credit in Bank not in CB Schedule 'B'	<u>xxxxxxx</u>	
Less Uncredited lodgment Schedule 'C'	(xxxxxxx)	xxxxxxxxx
Less Debit in Bank not in CB Schedule 'D'		(xxxxxxxxx)
Balance as per Bank Statement		<u>(xxxxxxxxx)</u>

The balance must agree with the bank statement for the month

3.4.3 MONTHLY BANK SCHEDULE MANDATES

The Desk Officer shall maintain a monthly bank schedule mandate file in respect of e-payment made during the month. All mandates issued must be recorded into the TETFund Project Cash Book.

3.4.4 CHEQUE RECEIVED/CREDIT ADVICE REGISTER

It is still possible to collect cheque in one way or the other, as such there is need to maintain this register and credit advice register to record all the credit received from the bank. The desk officer shall enter the particular of the cheques received for lodgment.

The Entries in the Register shall be made as follows:-

S/No.	Date Issued	Name of Drawer	Cheque Number	Amount	Date collected

CHAPTER FOUR

EXPENDITURE CONTROL AND DOCUMENTATION

4.0 Introduction

The aim of this chapter is to ensure that:-

- (i) Payments out of dedicated TETFund Project Accounts of beneficiary Institutions are payments duly authorized for the purposes of executing TETFund Projects.
- (ii) Funds meant for TETFund projects are not diverted under any guise, for purposes other than that for which they were duly disbursed by TETFund, based on the beneficiary Institutions proposals duly approved by the Board of Trustees of the TETFund in accordance with the TETFund Act.
- (iii) TETFund Project funds are exclusively used in pursuant of execution of approved TETFund Projects and are properly accounted for by the beneficiary Institutions in line with Public Sector Accounting, the Federal Procurement Act 2007, and extant Circulars.

4.1 EXPENDITURE CONTROL:

- Payments on account of TETFund projects in beneficiary institutions shall be made on the authority of the Accounting Officers of the respective institutions, who shall ensure that such payments are necessarily and

exclusively incurred in pursuant of the execution of the TETFund projects in their institutions.

- Payments on all TETFund projects/project accounts must be domiciled in the bursary department, accounts department or the department responsible for payment of the beneficiary institution's normal operations. While separate books are maintained, approval procedure must not deviate from the institutions normal approval procedure approved by the authority of the institution for its day to day operations, observing normal approval limits and signature categories.
Example: If 2 or 3 signatories are responsible for certain level of expenditure for the normal operation of the level of expenditure for the normal operation of the institutions, then that should apply to the TETFund project account operations.
- Where the Accounting Officer delegates this responsibility to any other official of the institution, the Accounting Officer is primarily responsible for the conduct of such an official in the proper discharge of such duties.
- The Accounting Officer shall also ensure that only competent officers are authorized to sign payment vouchers for payments on TETFund project account.

- The signature of the Accounting Officer or of someone delegated by him/her certifies to the accuracy of every detail on the voucher. He shall therefore be held responsible that the services specified have been duly performed; the prices charged are either according to contracts or approved scales, or fair and reasonable according to local rates. Ensure authority has been obtained as quoted, the computations and castings have been verified and are arithmetically correct, the persons named in the vouchers are those entitled to receive payment, and stores purchased have been duly taken charge or correctly issued for immediate consumption if they are expendable, in line with extant regulation.
- Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement.
 - (a) That as regards supplies, the articles have been received in the store by issuance of SRV or GRN
 - (b) In the case of work, a completion certificate must be issued by a competent authority e.g Engineer (Surveyor/Architect etc)
- In the case of payment on account, no money will be claimed other than the cost of work certified to have

been performed but where payments are to be made in advance, Advance Payment Guarantee must be obtained by the contractor from a reputable bank. Advance payment shall be for a maximum of 15% of total contract value.

- If a deduction is made from the amount payable on a contract in respect of a penalty or fine, it is only the net sum that will be paid and charged to the TETFund Project Account.

4.2 PAYMENT PROCEDURES

- All payments must be made with duly approved Payment Vouchers made out in favour of the person or persons to whom the money is actually due. Under no circumstances should E-payment schedule issued without a payment voucher.
- In the case of payment for a duly approved contract for construction, the following documents should be attached to the payment voucher:
 - (a) Contractor's invoice for payment or a letter of request on the firm's letterhead.
 - (b) Award letter and Contract agreement
 - (c) Valuation certificate for work done duly certified by the officer in charge of works or the supervising engineer.

- (d) Minutes of Tender's Board or Tenders Committee whichever is applicable.
- In the case of Supplies and Services, the payment Voucher must be supported with relevant documents such as:
 - (a) Local Purchase Orders/ Jobs orders
 - (b) Supplier's Invoice
 - (c) Approval for payment from the Accounting Officer.
 - (d) Stores documents such as signed way bill(s) and Stores Received Vouchers, etc.
- The Officer controlling expenditure shall check:
 - (a) In the case of supplies, the supplier's invoice against the documents received from stores i.e signed way bill, copy of job Order/LPO, duly signed store received voucher, and also the accuracy of the casting on each of the documents.
 - (b) In the case of contracts for construction works, the certificate of valuation, contractor's invoice, award letter, contract agreement and approval for payment from the Accounting Officer.

- (c) If found correct the officer controlling expenditure will pass the documents to the Officer raising payment voucher.
- (e) Once the voucher is raised, it is entered into the Vote book, passed for checking and payments after the Officer in charge of the vote has signed the payment voucher and stamped all the documents "ENTERED IN THE VOTE BOOK" as contained in section 407 of the Financial Regulations.
- (e) In case of 15% mobilization is to be paid, there must be guarantee Bond from the bank. The Bond should be unconditional. The procurement officer and the Legal unit should read the bond very well to ensure that it is Unconditional Bond. i.e the Bond should cover the amount advance and should be until the amount has been fully recovered.

The following particulars, as may be applicable, must be given on the vouchers:

- (a) Reference to contracts and details of any previous payment(s) under such contracts;
- (b) The contract sum must be indicated when part payment is being paid
- (c) Only the originals of LPO, Invoice and other documents must be used to support vouchers.

- (d) Separate vouchers shall be raised for separate payment items and for different services.
- (e) Vouchers shall be made out either in ink, ball pens or shall be typed/written. **On no account shall vouchers be written in pencil or in an erasable ink.** All copies must be legible and the totals must be written both in figures and words.
- (f) No erasure of any kind, whether in typescript or manuscript or the use of correcting fluid shall be allowed? Alterations to the amount of a voucher whether in words or figure are not allowed? A new voucher must be prepared where necessary. Any other alteration must be supported by the full signature of the officer certifying the voucher, or if the alteration is in the receipt, of the payee.
- (g) Officer controlling payment vouchers in respect of TETFund projects accounts shall maintain a payment voucher register, as shown below:

S/No.	Date	PV. No	Description	Amount	Signature

- (h) Only originals of payment vouchers shall be signed in full in ink or ball pens by the certifying officer and the payee. Copies shall be initialed or stamped.

- (i) All payment vouchers must be passed to the Internal Auditor for vetting to ensure that all the requirements for payment have been met before being stamped "Checked and passed for payment on TETFund Project Account" with the signature of the Internal Auditor.
- (j) The Bursar may not make payment against a voucher unless the following conditions have been satisfied:
 - (i) It is certified for payment by the officer who is authorized to do so.
 - (ii) It is stamped "Checked and passed for payment on TETFund Project Account", and is duly signed to that effect by the Internal Auditor in the appropriate place on the voucher.
 - (iii) It is not more than three months since the voucher was signed by the officer controlling expenditure.
 - (iv) It is accompanied by a certificate that the voucher has been entered in the Vote Book & signed by the officer controlling the vote.
- (k) Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying officers must satisfy themselves that the person claiming the payment is

the person authorized to receive the amount and it is the duty of the beneficiary institution's authorized representative to furnish proof of identity required.

- (l) Payments to firms shall be made only by E-payment Transfer in favour of the firm. For the purposes of payment the firms shall forward the bank details, Account Number, Bank Name sort code to the Institution.
- (m) When a payment to a firm is in doubt due to loss of relevant documents e.g. payment voucher and investigation has revealed no payment had been made to the firm, the payee shall be made to issue a certificate of indemnity to indemnify the beneficiary institution/against double payment at a later date.
- (n) All payments to the public should be made by E-payment Transfer to the beneficiary's Account.
- (o) Immediately after payment is made, the paying officer shall stamp the original voucher and all copies, all invoices, or other supporting documents "PAID".
- (p) Where a payment voucher is reported lost, prompt investigation shall be made. If a lost or fraud has occurred, action will be taken in accordance with **Chapter 25** of the Financial Regulations. Where

the Accounting Officer is satisfied that no loss or fraud has taken place he will submit a report on the circumstances of the loss of the voucher to the Trustees of the Fund. The report will be accompanied by a copy of the voucher with following certificate thereon signed by the authorizing officer that:

I am the officer:

*(a) who signed the original voucher

*(b) now controlling TETFund Project Fund

And I certify that to the best of my knowledge and belief this is the true copy of the original voucher and that no fraud has been perpetrated. The Trustees will consider the circumstances of the case and rule whether the copy voucher is admissible to support the accounts.

* Whichever is inapplicable to be deleted?

(q) Receipts given on payment vouchers are liable to stamp duty in accordance with the stamp duties ordinance (Stamp Duties Act CAP 411).

4.3 Payment Voucher Register

Payment Voucher Register must be maintained to control the payment voucher numbering in respect of Tetfund Project Account.

Note also that it is possible to have the same payment voucher Number with that of the Project Cash Book.

Format of Payment Voucher Register

Date	PV No.	Description	Amount	Signature
-------------	---------------	--------------------	---------------	------------------

4.4 Payment Voucher

A payment voucher is documentary evidence used to discharge obligation through disbursement of money. It is the evidence that the obligation for services rendered has been discharged. This evidence is available for future reference, accounting and auditing purposes. The specimen of the payment voucher is in Appendix 'A'.

4.5 Procedure for the Preparation of Vouchers

- There must be an Instruction from the appropriate officer in form of minutes before a payment voucher can be raised. There must be a request for any payment directed to the approving officer that would authorize the payment.
- The officer must ensure that the requests made are correctly chargeable to the TETFund Project Vote from which it is to be paid.
- Ensure that funds are actually available to meet the expenditure and where the payment is an advance, ensure the rule guiding the type of the Advance is

followed and to ensure that the recipient is qualified for such payment.

- When all the above have been confirmed, the voucher can then be raised on appropriate payment voucher.
- The voucher should be allocated a number through the payment voucher register.
- The voucher should be entered into the Vote Book or Control Ledger.
- The voucher certificate should then be signed by officers that participated in the preparation of the voucher, under Certification on the payment voucher.
- The voucher is then forwarded to the checking Section which is solely responsible for the checking and passing of payment voucher under a covering voucher schedule prepared in a serial order from where it will be passed to the Internal Audit Section, if found to be in order.
- The Internal Audit will carry out its own exercise on the vouchers, by cancelling all the attached documents to avoid re-use and forward same through a schedule to the Central Pay Office for payment
- The voucher would then be entered in the TETFund Project Cash Book where payment voucher will be allocated if is different from the department number allocated initially.

- Bank mandate will be issued where the particulars on the voucher will be entered such as; The name of the beneficiary, Name of the Bank, Account Number Branch, Sort Code Amount and purpose of the payment.
- After the mandates have been signed and thumb printed this will be forwarded to the bank for payment to the various Account Numbers indicated on the mandates.
- The mandate number and date will be indicated on the payment voucher for easy reference.
- The mandate are file in a file jacket serially monthly.

4.5 Cash Advances

There are two major type of Advance in Public Service:

(a) Personal Advance

(b) Advance Non Personal

(a) Personal Advance is advance or cash loans granted to individual officers in the employment of the Federal Government of Nigeria. The advance is personal to the officer and is to be repaid to chest by the officer, example of such advance are Rent Advance, Salary advance motor vehicle Advance, Housing loan. There are laid down rules and procedures in granting each of the personal Advances.

- (b) Advance Non Personal. This is type of advance granted to an officer in his capacity to enable him carry out some programme on behalf of Government.

Advance non-personal is also divided into two parts ***Cash Advance** to purchase items for the Agency ***Cash Advance** to carry out a programme on behalf of the Agency.

- Cash Advance to purchase items for the organization should not exceed ₦200,000.00 any amount exceed the ₦200,000.00 should be contracted out Circular No. TRY/A2 & B2/2009 OAGF/CAP/026/V dated 24th March 2009 paragraph 3
- Cash Advance to carryout programme on behalf of the Agency such a retreat in another state for two or three days, According to FR 1402(iii) in the disbursement of the funds Advance non personal for project/special programme, the leader of the project/special programme shall be the Accounting officer and shall approve all payments, while an Accountant of an appropriate grade shall attached to each project/special program and have responsibility for the disbursements as well as retirements of the Non-Personal Advances.
- The voucher relating to advance must indicate Name/Designations of officer, the nature of the

advance, the terms of recovery and the purpose of the Advance.

- There must be advance Account records maintained in all Agency to record advances granted and all the retirement/recoveries made.
- In line with FR 1404 (iii) the officer responsible for the advances account record must examine such records each month and bring to the notice of the Accounting officer any item which are overdue for retirement or settlement.

4.6 Cash Advance Retirement

All Cash Advances should be retired through Journal vouchers. Retirement must be in writing given details of how the advance collected are spent with the receipt mark an Annexure to the report.

The initial memo requesting for the Advance should be attached to the retirement particulars to ensure that the purpose of the Advance is complied with.

Please note that submission cash receipt only has not made you retired the advance.

Remember an application was made when the Advance was granted, therefore there must also be a memo stating how the amount granted was expended with receipts attached as annexure.

4.7 Vote Control Mechanism

It is made mandatory for all agencies to monitor the expenditure pattern of his agency with reference to the amount provided in the Estimate/Budget of the agency. The Agency is expected to keep a departmental vote Book posted up to date in such form as will clearly show in respect of each sub head. In some cases instead of Departmental Vote Book as being used in core ministry, a control ledger can also be maintained to serve the same purpose of monitoring the expenditure pattern according to the amount in the estimate submitted and approved.

The purpose is to ensure that all areas in which provision is made in the budget are taken care of.

For example a sum of ~~₦~~200,000.00 was made for examination and examination only come toward the end of the semester as such the ~~₦~~200,000.00 must not be spent on any other expenses.

Assuming that ~~₦~~300,000.00 provision was made for Hotel Accommodation which has been exhausted, any voucher prepare on the subhead Hotel Accommodated will not be paid. The purpose is to ensure that commitments and expenditures in respect of TETFund projects are incurred within the approved limit.

Format of control Ledger

			Amount Committed		
Vote/Code	00135		Date	LPO/ Contract	Amount
Vote/Name	Examination				
Amount Allocated:	N200,000.00			No	
Date:	3/3/2010				
Date	P.V	Particulars	Payment	Total	Balance

			Amount Committed		
Vote/Code		00135	Date	LPO/ Contract No	Amount
Vote/Name: Hotel Accommodation					
Amount Allocated: N300,000.00					
Date:3/3/2010					
Date	P.V	Particulars	Payment	Total	Balance

4.7.1 Vote Control Mechanism in a Manually Environment

At the beginning of each quarter after the allocation committee must have earmarked a certain amount, the amount shall be recorded in each vote sub-head in the vote control ledger with an index for easy reference.

It is advisable that immediately the approval is given by the Chief Executive before the commencement of preparation of payment voucher, the Vote Control officer should indicate whether the vote can accommodate the approved amount if not, this must be made known.

4.7.2 Vote Control Mechanism in the Computer Based Environment

There must have been a programme in the system that once either the name of the vote is typed or the vote code, the ledger will come out indicates if vote is available or not. After the voucher have been prepared it will be recorded and get the balance.

In addition the programme should be able to give report at the end of the month for the balances on each vote code for management.

CHAPTER FIVE

PROCUREMENT PROCEDURE IN PUBLIC SECTOR IN LINE WITH PROCUREMENT ACT 2007

5.0 INTRODUCTION

All contracts relating to TETFund project must comply with Federal Government's due process procedures as stipulated in the Procurement Act 2007 for the award of contracts.

Government contracts are made in accordance with the ordinary law or contract through offer by one party and acceptance by the other. The only distinction between a Government contract and that of private sector is that every citizen is given opportunity to apply for the job since it is a public fund to be disbursed.

The Public Procurement Act 2007 provides detailed requirements and guidelines for procurement contracts in respect of goods and services in the public sector.

5.1 AWARD OF CONTRACT PROCEDURE

5.2 CORE OBJECTIVES AND FUNDAMENTAL PRINCIPLE OF PROCUREMENT

There are four core objectives of procurement.

- Economy and Efficiency
- Competition - Providing level playing ground for all strata of bidders
- Value for money
- Transparency

5.3 FUNDAMENTAL PRINCIPLES OF PROCUREMENT

Procurement must be based only on:-

- Procurement plans supported by prior budgetary appropriation
- After certificate of "No objection" to contract award has been obtained
- Through open competitive bidding except otherwise allowed
- Transparent Evaluation
- Value for money is achieved.

Note: Certificate of "No objection" is the responsibility of the procurement planning committee in each MDAs' exclusion of contract that qualify under the Bureau of public Procurement (BPP)

5.4 PROCUREMENT PLANNING COMMITTEE

In compliance with Section 21(i) of the Procurement act 2007, for each financial year, each procuring entity shall establish a procuring planning committee which shall consist of:-

- The Accounting Officer as the Chairman
- Procurement unit - to serve as Secretary
- The department directly in requirement of the procurement
- The Finance and Account Department of the procuring entity.,
- A technical personnel of the procuring entity with expertise in the subject matter for each particular procurement
- The Legal Unit of the procuring entity.

5.5 FUNCTIONS OF PROCUREMENT PLANING COMMITTEE

The following functions must be carried out by the procurement planning committee before certificate of "No objection" is issued:-

- Preparing the needs assessment and evaluation
- Identifying the goods, works or service required.
- Carryout appropriate market and statistical survey and on that basis prepare cost implications of proposed procurement.
- Aggregating its requirement to obtain economy of scale and reduce procurement cost.
- Integrating its procurement expenditure into its yearly budget.
- It is the responsibility of the Chief Executive to ensure that the above steps are followed before it is forwarded to the Tender Board.
- Subject to the prior review thresholds as may be set by the Bureau, any procurement purported to be awarded without a "certificates of No objection" and the contract award duly signed by the procurement planning committee of the MDAs or Bureau for contract above the limit of MDA should be null and void.

5.6 RECORDS TO BE KEPT BY MDA

Section 16(2) part iv of the procurement Act 2007 mandated every procuring entity to maintain both file and electronic records of all procurement proceedings made within each financial year and the procurement records shall be maintained for a period of ten years from the date of the award.

Copies of all procurement records shall be transmitted to the Bureau not later than 3 months after the end of the financial year and shall show:-

- Information identifying the procuring entity and the contractors
- The dates of the contract awarded.
- The value of the contract.
- The detailed records of the procurement proceedings.

5.7 **PROVISION OF THE ACT AGAINST OVER - INVOICING, EXCHANGE RATE AND SUPPLY OF FAKE PRODUCTS**

- Notwithstanding that due process are followed the Bureau may refuse to issue a certificate of "No objection" to contract award on the ground that the price is excessive.
- The values in procurement documents shall be stated in Nigerian currency and where stated in a foreign currency shall be converted to Nigeria currency using the exchange rate of CBN valued on the day of opening a tender or bid
- Section16 (28) All procurement contract shall contain warranties for durability of goods, exercise of requisite skills in service provision and use of genuine materials and inputs in execution.

5.8 **TENDER BOARD**

There are two majors Tender Board now:-

- Ministerial Tender Board
- Federal Executive Council

COMPOSITION OF TENDER BOARD:

Ministry - Permanent Secretary - Chairman
All Directors in the Ministry

Parastatals: - Chief Executive - Chairman
All Heads-of-Departments

5.9.0 **TENDER PROCESS**

5.9.1 **OPEN COMPETITIVE BIDDING:** All procurements of goods and works by all procuring entities shall be conducted by open competitive Bidding.

Invitation to bid may either be by way of national competitive bidding or International competitive bidding.

5.9.2 **REQUEST FOR QUOTATION:** A procuring entities may carryout procurements by requesting for quotations from suppliers or contractors where the value of the goods or works to be procured does not exceed a sum that shall beset in the procurement regulation.

Generally, quotations shall be obtained from at least 3 **unrelated** contractors or suppliers.

5.9.3 **DIRECT PROCURMENT:** A procuring entity may carryout any emergency procurement where goods, works or services are only available froma particular supplies or contractor or if a particular supplier or contractor has exclusive rights. In respect of the goods and service and no reasonable alternative or substitute exit.

- 5.9.4 **SUBMISSION OF PROPOSAL**: The procuring entities shall allow sufficient time for the preparation and submission of the requested proposal but shall in no case give less than 30 days between the issue of the notice or request and the deadline for submission.
- 5.9.5 **PROPOSAL OPENING**: Selection based on consultant's qualifications and single source selection, the highest ranked firm or firm selected is invited to negotiate its proposal and the contract on the basis of Technical proposal and financial proposal submitted in accordance with the instructions given.
- 5.9.6 **PROCUREMENT METHODS AND THRESHOLDS OF APPLICATION**

With Reference to the Federal Circular Ref. No.SGF/OP/1/5.3/VIII/57 dated 11th March, 2009; Federal Government has approved revised thresholds for Goods, Works Consultancy and Non-Consultancy Services.

Good	Works	Consultancy Service	Non-Consultancy Service	Selection Methods & Prequalification
>100 Million	>1 Billion	Not applicable	>100 Million	International/National competitive bidding
>2.5 million <100 million	>2.5 million But < 1 Billion	Not applicable	>2.5 million but < 100 million	National competitive Bidding
2.5 million	<2.5 million	Not applicable	2.5 million	Shopping (Market Survey)
<0.25 million	<0.25 million	<0.25 million	<0.25 million	Single source/Direct contracting (minor value procurement)

>10 million	>300 million	Not applicable	>100 million	Prequalification
Not applicable	Not applicable	>25 million	Not applicable	Quality and cost based
Not applicable	Not applicable	>25 million	Not applicable	Consultant Qualification
Not applicable	Not applicable	>25 million	Not applicable	Least Cost

Approving Authority

Good	Works	Consultancy Service	Non-Consultancy Service	Approving Authority
>100 million	>1 billion	>100 million	>100 million	BPP issues No Objection Certificate
>5 million but < 100 million	>10 million But < 1 billion	>5 million but < 100 million	>5 million but < 100 million	Ministerial Tender Board
>2.5 million but <50 million	<5million but < 250 million	>2.5million but <50 million	>2.5 million but <50 million	Parastatal Tender Board
<5 million	<10 million	<2.5 million	<2.5 million	Permanent Secretary
<2.5 million	<5 million	<2.5 million	<2.5 million	Accounting Officer/CEO

NB - There is a special application to the Federal Ministry of Petroleum of expenditure related to the Nigerian National Petroleum Corporation (NNPC).

5.2.0 Requirements for contract Payment in MDAs

All payments in respect of capital and recurrent contracts shall be supported by the following documents.

- (a) Evidence of availability of funds as provided for in the current year's budget and quarterly warrant or authority to incur expenditure.

- (b) Certificate of "No objection" to award the contract issued by either the Procurement planning Committee or Bureau of Public Procurement as the case may be.
- (c) Evidence of approval of the tender Board certified by the Chairman and Secretary of the Federal Executive Council (FEC) depending on the threshold.

5.2.1 **Payment of Mobilization Fees**

In addition, application for funds by the contractor or supplier for advance payment or mobilization fees of not more than 15% of the contract value, where applicable shall be supported with Bank guarantee or insurance bond issued by an institution acceptable to the procuring MDA.

5.2.2 **Interim Performance Certificate**

No further payment shall be made after the mobilization fees without the Interim Performance Certificate issued in accordance with the Contract Agreement. This serve as evidence that the Contractor has performed the obligation under the contract up to a level stipulated in the certificate but not meaning completion.

5.2.3 **Registration of Contractor/Supplies**

All intending contractors/supplies must duly register with the procuring entity by paying a prescribed Contractor Registration fees/Renewal fees. Payment may not be made but registration is compulsory to know whom the Institution is dealing with.

5.3.0 LIMITATION ON THE USE OF CASH ADVANCE FOR PROCUREMENT

Reference to Federal Treasury Circular number TRY/A2&B2/2009 OAGF/CAD/026/V dated 24th March 2009 Paragraph - 3 "All Accounting officer and officers controlling expenditure are to ensure that all Local procurement or stores and services costing above N200,000 shall be made only through award of contract.

5.3.1 Tender Process

A memorandum should be presented to the Tender Board. The memorandum should contain the following information in order to enable the Tender Board make an informed decision:

- (a) Title of the memorandum
- (b) Purpose of the memorandum
- (c) Evidence that all aspects of internal preparation for project Implementation readiness has been completed. Principally:-
 - ❖ Project dossier containing summary details on project objectives and scope.
 - ❖ Specification of all items of works.
 - ❖ Bill of Quantities
 - ❖ Project design
 - ❖ Schedule of basic rates where relevant
- (d) Implementation schedule and execution relevant

- (e) Responsibility for supervision and how capacity building is being addressed for sustainable operations and management (O. & M).
- (f) Cost of the project and financial provision available from previous allocations and current budget.
- (g) Terms of payment to be used.

5.3.2 **Advertisement for Award of Contract-Invitation for Pre-Qualification**

The Advert should indicate the following information:

- Name and Address of the organization requesting for tender.
- A brief description of the objective and technical specification of the project.
- The qualification and category of the contractors expected to tender.
- The invitation for pre-qualification reference Number - this will eventually become the contract Number.
- The date by which documents must be returned. (A minimum of 2 weeks should be allowed).
- The place and time the pre-qualification document should be returned.
- The contract details of the procurement staff member responsible for dealing with queries during the pre-qualification period.
- Pre-qualification evaluation criteria.

Note: The evaluation criteria should be clearly defined in the pre-qualification document. The pre-qualification contractors list should base solely on the criteria so defined.

5.3.3 **Pre-Qualification Evaluation Committee**

Pre-qualification documents shall be issued to all firms that responded to the advertisement or notice. All the responses to the adverts shall be subjected to a pre-qualification process. The pre-qualification Evaluation Committee made up of professionals shall evaluate the responses.

The pre-qualification scrutiny should determine the technical, management and financial capacity as well as confirm their previous experiences in performing similar projects.

5.3.4 **Invitation to Bid**

Among the firms that collected pre-qualification documents after pre-qualification evaluation committee had worked on them, the short listed firm will be invited to Bid for the contract. In that case, all the qualified contractors will be issued with Bid Document to enable them bid for the contract. A period of 6(six) weeks from the date of invitation to Bid shall be allowed for the submission.

5.3.5 **Letter of Award/Contract Agreement**

Letter of award will be given to the contractor and he is expected to accept the award before signing a contract Agreement where all details will be stated.

5.3.6 Payment Guidelines

- Mobilization Fee: Mobilization fee should not be more than 15% of the contract sum.
- Performance Bank Bond: There should be bond to cover the 15% mobilization fee paid. Maximum of (5) work completion valuation certificate: The total contract sum should not be paid more than five installments including the mobilization fee which should be deducted en bloc from the second payment.
- Interest on delay payments: Interest is expected to be paid to the contractor if there is a delay in settling his claim of more than 60 days from the date of submission of his invoice/valuation certificate and authenticated by the relevant ministry, provided this clause is inserted in the contract agreement.
- The project manager is required to submit a technical and financial progress report to enable the Accounting officer effectively assess the value for money to be released.

5.4.0 SUMMARY OF GUIDELINES FOR AWARD OF CONTRACT

- 5.4.1 Tenders for awards of contracts must have been advertised in the national newspaper and/or the Federal Government's Tender journal and the criteria for contractors to qualify clearly stated. Where the contract value does not require advert in the papers, placement of advert on the institutions official notice board will suffice.
- 5.4.2 Bid should be received in sealed envelope to be opened in the presence of all bidding contractors with signed attendance register.
- 5.4.3 Tenders should be subjected to technical and financial analysis to determine the most suitable bidders.

5.4.4 Minutes of the tender's board meeting where the contract was awarded should be taken.

5.4.5 Letter of award and complete contract agreement accompanied with the Bill of Quantity must be appropriately executed.

5.5.0 **Store Management**

The aim of this section is to ensure that:

- (i) Stocks of items procured with TETFund intervention funds are physically received into store and such receipts are properly recorded.
- (ii) All items procured with TETFund intervention funds are properly marked with TETFund Insignia.
- (iii) Issuance of stocks out of the stores are properly documented and properly recorded.
- (iv) Usage of stocks of items procured with TETFund intervention funds are for the purpose for which they are intended.

Stores Procedures

- (i) Procurement of stock items with TETFund intervention fund shall be by issuance of Local Purchase Order (LPO)/Job order or letter of award issued by the beneficiary institution, following the due process of competitive tendering.
- (ii) The job order/LPO/letter of award shall specify the quantity, physical description, quality prescription, unit cost and the amount of each of the items.

- (iii) Supply of the stock items by the supplier shall be accompanied with:
 - (a) Way bill - specifying the order number, physical description, and quality prescribed and quantity delivered.
 - (b) Copy of the LPO/Job Order. Or letter of award.
- (iv) The stores Officer shall check the items supplied with the supplier's Way Bill and the copy LPO/Job Order to ensure that they agree in every material detail - quantities and quality.
- (v) The stores officer shall receive the goods into store by signing the supplier's way bill and raising Stores Received Vouchers (SRV) dully signed by him/her, anticipating actual receipt of the items into the Store.
- (vi) The Internal Audit shall witness receipts into stores of the items supplied and sign on the Stores Received Vouchers certifying the correctness of the entries on the Stores Received Vouchers.
- (vii) The Stores Officer shall ensure that all the stock items received are marked with TETFund Insignia either by Direct Engagement, Printing, Rubber Stamping Painting, Aluminum or Steel Tablets.

- (viii) The stores officer shall send the following documents to the Bursary/Accounts Departments for processing of payment to the supplier:
 - (a.) Supplier's Way Bill
 - (b.) Original LPO/Job order or letter of award.
 - (c.) Duly signed Stores Received Voucher (SRV).
- (ix) The stores officer shall then enter the receipt of the stocks into the TETFund Bin Card (Please see format below). It is the responsibility of the Store Accountant or Management Accountant depending the nomenclature of the officer who will record the receipt into the Store Ledger.
- (x) The stores officer, on issuance of the stock or any part thereof, which shall be by way of duly approved Stores Requisition Voucher, shall update the Bin Card and forward copy of the SIV to the Store accountant to update his ledger.

5.5.2 **Store Ledger Accounting**

- (i) Every beneficiary institution shall maintain a TETFund Stores Ledger for the purpose of accounting for items procured with TETFund intervention fund.
- (ii) The format of TETFund Stores Ledger and Bin Card is on the next page
- (iii) On receipt of stock from supplier, the store officer issue Store Receipt Voucher, enters all the items in the SRV as

listed in the way bill and give duplicate copy to the Contractor while the triplicate is forwarded to the store ledger Accountant while the quadruplicate are retained in the booklet. The original SRV, way bill, letter of award are then forwarded to the Accounting Officer for approval for payment to the Bursary department.

Note: That the SRV contain four copies.

Specimen of Store Ledger

Product..... Maximum Stock.....
 Ledger Folio..... Re-order level
 Pack Unit of Issue.....

Date Issued/Received	SIV/SRV	Movement/Particulars	Quantities			
			Received	Price	Issued	Balance

Specimen of Bin Card

Product..... Maximum Stock.....

Ledger Folio..... Re-order level

Pack Unit of Issue.....

Date Issued/Received	SIV/SRV	Movement	Quantity			
			Received	Issued	Balance	Signature

Specimen of Store Receipt Voucher

No	Date
To the Store Keeper	

Articles	Denomination of Quantity	Quantity to be received	Value		
			₹	K	Ledger Folio

I hereby certify that the above mentioned store items have been received.

Date

Signature/Name

(iv) On issuance of stocks with a duly approved Stores Requisition Voucher, the stores officer enters in Blue or Block ink;

(a) The date of issue,

(b) The receiving department,

(c) The Store Issued Voucher No,

(d) The quantity issued (under the Issue column),

In the TETFund Stores Ledger and the Bin Card respectively and compute the balance (under the Balance column).

(v) The Internal Audit Department or any other unit responsible for monitoring internal control procedures in the beneficiary institution shall periodically conduct stock count, when the physical stocks are checked against the balances in the TETFund Stores Ledger and the TETFund Bin Card for accuracy and completeness. Such checks shall be endorsed on the pages of the Stores Ledger and on the Bin Card, as evidence of such checks.

(vi) Discrepancies shall be promptly noted and investigated for necessary corrective actions in line with the procedures for handling such discrepancies in such institutions and in accordance with the Financial Regulations of the Federal Government.

(vii) **Store Requisition Voucher**

Quantities should be written both in words and figure and each type of articles required will be given an item number. Therefore, to prevent unauthorized addition, additions a line will be drawn immediately below the last entry. All issues should be supported with Store Issue Vouchers.

TETFund Stock Code:

- (i) Beneficiary institutions shall apply the following codes for TETFund stock items, to aid proper accounting.
- (ii) All Books and Exercise Books purchased with the TETFund: TETFund/BK/07' meaning:
 - a. TETFund - Tertiary Education Trust Fund
 - b. BK - Books or Exercise Books
 - c. 07 - Purchased with the 2007 TETFund Intervention fund.
- (iii) All Laboratory Consumables purchased with the TETFund fund: TETFund/LC/07' meaning:
 - (a) TETFund - Tertiary Education Trust Fund
 - (b) LC - Laboratory Consumables
 - (c) 07 - Purchased with the 2007 TETFund Intervention fund.

Sources of Receipts of Store Items

- (i) Local Purchase Order (LPO)
- (ii) Transfer from other Stores
- (iii) Conversion and Manufacture
- (iv) BY Contract Award
- (v) Returned Store
- (vi) Excess taken on charge
- (vii) Any Other Source.

5.5.4 Responsibilities of the Store Officers

- (a) Checking, handling and storage of store items received
- (b) Issue of stores supported by authorized vouchers and ensure that such issues are checked and properly packed
- (c) Observing First-in-first-out (FIFO) so that items of old stock are issued before the new stock.
- (d) Issue of store receipt voucher for all store received into the store
- (e) Maintain the prescribed stock level as regard minimum and maximum limit (re-order level)
- (f) Avoidance of waste of stores and irregular issues.
- (g) Ensuring that the store room is clean and properly ventilated.
- (h) Report when the store room is not in good condition.
- (i) Ensure adequate security for the store item in respect of strong burglary proof and fire fighter.
- (j) He is solely responsible for the keys and no delegation of duties of locking up is permitted.

5.5.5 Checking of Stores

- (a) Carry out physical survey of the store items and let the store-keeper sign the survey sheet.
- (b) A test comparison of the ledger balances with the physical and the Tally Cards balances.
- (c) A test verification of the ledger entries with receipt and issues vouchers
- (d) An examination of the condition of the stock and manner of storage
- (e) A scrutiny of the books and register in use, which should be up to date and relevant voucher properly filed.
- (f) An examination of security measures in the stores premises including adequate firefighting appliance which should be provided and maintained in a serviceable condition.
- (g) Test-checking to confirm physical existence of the highly marketable items which can be easily removed.
- (h) Any surplus found after the checking should be taken on charge by issuing of SRV to cover the items in excess and the SRV should be taken away by the Auditor or Checker.
- (i) Any deficit should be made good together with any necessary recommendations.

5.6.0 Fixed Asset Accounting/Register

The objective of this Section is to ensure that Fixed Assets acquired by beneficiary Institutions with TETFund Intervention funds are physically available and easily identifiable within the premises of the beneficiary Institutions.

It is mandatory for every beneficiary Institution to maintain TETFund Fixed Asset Register to record all the Fixed Asset purchased with TETFund Intervention funds for every year of such Intervention.

The records of the Fixed Assets in the beneficiary Institution's TETFund fixed Assets Register shall agree with the fixed assets physically on ground both in number and description.

5.6.1 **Physical Numbering and Identification**

Fixed assets purchased with TETFund Intervention funds are not only to be marked with the TETFund Insignia, they are also to be specially numbered as follows for easy identification:-

- (i) All Building' constructed or purchased with the TETFund funds are to be marked e.g. TETFund/BD/01/2009 "meaning".
 - (a) TETFund - Tertiary Education Trust Fund
 - (b) BD - Building
 - (c) 01/09 - Fixed Asset Register Number of the Building constructed or purchased with the 2009 TETFund Invention fund.
- (ii) All Motor Vehicles (MV) purchased with TETFund are to be marked e.g TETFund/MV/01/09.
- (iii) All Laboratory Equipment (LE) purchased with the TETFund are to be marked e.g. TETFund/LE/01/2009.
- (iv) All Computer Equipment (CE) purchased with TETFund fund are to be marked e.g.TETFund/CE/01/2009.
- (v) All Furniture's and Fitting (FF) purchased with the TETFund are to be marked e.g.TETFund/FF/01/2009.
- (vi) All Library Books and Equipment (LBE) purchased with the TETFund funds are to be marked e.g TETFund/LBE/01/2009.
- (vii) All Technical and Vocational Equipment (TVE) purchased with TETFund funds are to be marked e.g. TETFund TVE/01/2009.

5.6.2 TETFund Fixed Asset Register

The TETFund Fixed Asset Register shall be group into seven, each group with separate pages with Index for easy identification.

(a) Building - To record all buildings Constructed or purchased with TETFund Intervention Fund.

Format of Asset Register

S/No	Asset No	Date Acquired	Asset Description	Cost ₦	Supplier	Rate of Dep	Location
1.	TETFund/BD/01/2009	2009	Lecture Hall I	12,000,000.00	AB Ojo Son	2%	Main Camps
2.	TETFund BD/02/2010	2010	Mechanical Workshop	18,000,000.00	Abiola Ltd	2%	Main Camps

(b) Motor Vehicles - To record all motor vehicles purchased with TETFund Intervention fund.

Format of Asset Register

S/No.	Asset No	Date Acquired	Asset Description	Cost ₦	Supplier	Rate of Dep.	Location
1.	TETFund/MV/01/2009	3/7/2009	Camry 2005 FG815/A53	5,000,000.00	Bruce Ltd Motor	25%	VC
2.	TETFund MV/02/2010	30/6/2010	Toyota Corolla 2006 FG 070/AB3	4,000,000.00	Bike Motor	25%	Pool

(c) Laboratory Equipment - to record all laboratory equipment purchased with TETFund Intervention fund.

Format of Asset Register

S/No.	Asset No	Date Acquired	Asset Description	Cost ₦	Supplier	Rate of Dep.	Location

- (d) **Computer Equipment**- To record all computers equipment purchased with TETFund Intervention fund.
- (e) **Furniture and Fittings** - To record all furniture and fitting purchased with TETFund Intervention fund if the furniture's had been numbered.
- (f) **Library Books and Equipment** - To record all library books and Equipment purchased with TETFund Intervention funds.
- (g) **Technical Vocational Equipment** -To record all Technical and Vocational Equipment purchased with TETFund Intervention Funds.

5.7.0 **Fixed Asset Schedule**

A separate fixed Asset Schedule should be prepared to be consolidated with other Asset of the Institution in the Final Account of the Institution.

Fixed Asset Schedule Format

S/No	Asset	Rate %	Initial Cost/ Valuation	Addition During the Year	Disposal	Total Cost/ Valuation	Depreciation Brought Forward	Depreciation for the Year	Accumulation Depreciation On Asset Disposed	Aggregate Depreciation	Net Book Value
1	Building										
2	Motor Vehicle										
3	Laboratory Equipment										
4	Computer Equipment										
5	Furnitureand Fittings										
6	Library Books and Equipment										
7	Technical Vocational Equipment										

CHAPTER SIX

Project Management Techniques

6.0 Introduction

- (a) It is mandatory for all beneficiary Institutions to maintain project files for each TETFund project which shall contain all documents relating to the project from the proposal stage the award of contracts to the final completion.
- (b) Expenditures on various TETFund Intervention Projects are accurately captured in each project account to aid beneficiary Institutions accurate and timely reporting on the projects.
- (c) Project reconciliation with the respective project funds in the beneficiary Institution's possession are done accurately and without delay.

6.1 Project File

There is need to maintain a project file for the entire projects approved for the Institution. It should be noted that a project file is different from Contract file because the project file contains all issues concerning the project. This includes the letter of awards to all the contractors working on the Project e.g. plumbing contract, Electrical Project etc.

A Contract file is concerned with the Contractor's file.

In case the project is awarded to a contractor, the project file can then also serve as Contract file but must bear the two names. e.g. Building Project/Contractors A. B. Odumosu & Sons. The particulars of the contractor must be in the file.

Therefore, the following documents shall always be made available in the Project file:-

- Correspondence between the Institution and TETFund requesting the fund
- Allocation letter from TETFund Board of Trustees.
- Copy of proposal to the TETFund Board of Trustees with plans and drawing etc.
- Original project approved letter from the TETFund.
- Tendering documents before the contract is awarded on the project including:-

(a) Cutting of Newspaper advert for tender

(b) Tender analysis report showing names of shortlisted Contractors for each project.

- Contract agreement with the contractors and all correspondences to and from the contractor on the project.
- Copies of credit advices or Covering letters for all the disbursements received in respect of the project
- Suppliers Invoices received in respect of the project
- Suppliers Waybill, store Received vouchers, store Issue vouchers etc. in respect of all the items received into the Store or Issued out of the store in respect to the project.

- Payment vouchers with the entire supporting document in respect to the project.
- Copies of all Bank schedule mandates issued for the payment to contractors and any other person in respect to the project.
- Certificate issued from the commencement to the final completion of the project.
- Advance payment Guarantees for all advance payment made on the project.

6.3 **Contract files**

Contractor file contains all correspondence between the contractor and the Institution. The purpose of contractor file is to enable the Institution when the needs arises to review the Individual contractor files without mistaking of contract A with contract B.

The first page of the file should be the registration form giving the full details about the contractor. The registration form may even be collected free.

Other Important documents in the file among others are:-

- Letter of award.
- Advance payment Guarantee in case there is mobilization fee to be paid
- Contract Agreement with the contractors and all correspondence to and from the contractors.
- Bill of Quantity or Scope of work
- Completion certificate/good Received, Received Note or SRV.
- Certificates of work done for purpose of payments from the commencement to the final

- Bank details of the contractor.
- copy of Tender Board minutes concerning the contract
- Tendering document before the contract was awarded.
- Receives Cutting of Newspaper advert for tender and Tender analysis report showing names of shortlisted Contractors
- Payment voucher paid in respect to the contract
- Copy of the Bank schedule mandates issued for the payment to the contractors.

6.4 **Project Ledger**

It is important for all Institutions to maintain project ledger for all the projects to monitor the progress of payment.

The project ledger can be maintained manually but it is advisable to be computerized where the name on the ledger will be used as a search key for searching for accessing the ledger.

The officer in charge of control should also be designated to handle the Project file

After the preparation of the payment voucher before passing to the cash office, it should be forwarded to the schedule officer for recording.

Generally, any contract that involved part payment, project ledger must be maintained for such contract for monitoring purposes.

The format of Project Ledger.

Project Title:				File No.		
Contractor: Account Code						
Project cost:						
Variation:						
Date	PV No.	Bank	Amount	% of Payment	Balance	Remarks

Benefit of Project Ledger

- It eliminates over payment on a project or contract
- Monitoring the progress of payment is possible
- Indication of percentage of payment made to date will make evaluation easier.

6.5 Keeping and Security of Project files

Keeping of file in Public Service is very vital and must be taken serious

All Project/contract file must be numbered and all letter emanating from any of the letter must have file number for easy reference.

The reference letter number should have the file numbers and the page.

The project files shall be kept in fire-proof Cabinets for safekeeping and shall be made available to TETFund auditors/Inspectors on demand.

6.6 TETFund Projects Reconciliation Statement

It is mandatory that every Institution should prepare quarterly project reconciliation statement to be submitted to the TETFund. For the purpose of reconciliation all the projects must be given Alphabetical Number e.g. A, B, C,D.

To avoid unreliable statement all posting into the Cash Book must be up to date to arrive at the correct Cash Book balance otherwise, the reconciliation may not be accurate.

The format of TETFund Project Reconciliation Statement for the quarter ending 31st March 20.....

	₦	₦
Opening TETFund Project		
Cash book balance		
Quarter beginning	xxxxxxxx	
Add: Receipts from TETFund in the Quarter		xxxxxxxx
Less: Expenditure in the year to date		

CHAPER SEVEN

VAT & WHT Computation and VAT Exempted Items

Introduction

- (i) Financial Regulation 234 make it more mandatory for Accounting officer of all the Government MDAs to ensure that dual roles of making deductions for value added Tax (VAT) and Withholding Tax (WHT) dues on supplies and services, contracts are remitted to the relevant tax authorities.
- (ii) Any loss of government revenue through direct payment of VAT and WHT to contractor or failure to provide for VAT & WHT due and remitting same to relevant tax authorities shall be recovered from the statutory allocation of the defaulting ministry/Extra-Ministerial office and other arms of government.
- (iii) Accounting officers who fails to provide for and remit VAT & WHT due on vatable supplies and services shall be sanctioned under the applicable VAT Act No. 102 of 1993 which may include fines and imprisonment.

7.1 Value Added Tax (VAT)

- (i) Value Added Tax is imposed by law on all goods and services except those specifically exempted.

- (ii) All organization that deal in vatable goods and services are required by law to register with the Federal Inland Revenue Service VAT Section. VAT registration Forms are obtainable from the FIRS. The form is completed by the organization and returned for registration. On the basis of this, a VAT registration Certificate showing the Organisation" VAT Registration Number is issued by the FIRS of the Organisation to enable it operate VAT and consequently act as its Collecting agent.
- (iii) Beneficiary Institution are expected to register as VAT Collecting Agents for VAT deducted from payments for vatable goods and services and to make monthly remittance through the designated banksof all VAT collected in the form in Appendix----- within 21 daysafter the month end.
- (iv) The current rate of VAT is 5%. It is the organization buying the Goods and services that are responsible for the payment not the contractor.

In view of the above, the letter of award and the LPO should be clearly stated by making provision for the VAT when computing the contract sum by either saying that the contact sum includes all taxes and when the contractor is submitting his bid, provision of 5% VAT should be added to arrive at the total sum, otherwise the total amount will be treated to be inclusive of all taxes.

7.3 Withholding Tax (WHT)

- Withholding Tax (WHT) is the amount withheld from contractors in advance of their income tax payment and is recoverable from Income tax. This amount would have been lost through evasion and or avoidance of Tax.
- It should be noted that, whereas VAT is built into the total contract cost, WHT is not. This is clearly forbidden by tax regulation as it is to be borne by the contractor from the contract proceed.
- Beneficiary Institutions are expected to charge WHT and remit same to FIRS in the case of Limited Liability companies and SBIR (States Board of Internal Revenue) in case of others using the form in Appendix _____.
- Receipts collected from the FIRS and SBIR on behalf of the contractors are subsequently released to the contractors for the claims against their Income tax liabilities when making their income tax returns.

7.4 Computation of VAT & WHT

The basic difference as to who bears the brunt of VAT and WHT respectively as explained above, also informs the different methods of their computation. Assume the beneficiary Institution issues an LPO to Adesola & Co. Ltd., for ~~N~~1'000,000VAT inclusive. The computation of WHT and VAT will be as follows:-

(a) VAT

Since the N1'000,000.00 represents the total price plus 5% VAT i.e 105% of actual cost, VAT will be computed as follows:

$$5 \times \frac{N1'000,000.00}{105} = \underline{N47619.00}$$

(b) WHT

$$WHT = \frac{5 \times [1'000,000.00 - 47619.00]}{100}$$

$$= \frac{5 \times 952381}{100} = \underline{N47619.00}$$

7.5 Payment of VAT & WHT.

- It is the responsibility of the Accounting officer to obtain the Tax Identification Number (TIN) of the contractor for easy remittance of any deduction made from each contractor.
- The VAT & WHT are scheduled along Bank mandate schedule so as the Contractor is receiving his or her money the relevant Tax authorities is also being credited with the amount deducted. The era of unremitted VAT & WHT is now over.
- The entries of the payment vouchers in respect of payment to the contractor and the VAT & WHT are made together.
- Details of deduction are presented to relevant tax authorities for the issuance of bonafide receipts for the tax remitted.
- The receipts with which the Contractors were paid in case of VAT are kept in the file while that of WHT are distributed to the various contractors.

7.6 VAT Exempted Items

There are some VAT exempted item such as Educational materials, Hospital materials, it is important to note this whenever computation is being computed.

CHAPTER EIGHT

Expected Financial Returns & Reports

8.0 Introduction

This section is to set out the reports expected from beneficiary Institutions by the Board of TETFund, Quarterly and annually to ensure that:

- The TETFund is updated regularly on the state of its projects in beneficiary Institutions.
- TETFund is in position to initiate timely corrective measures to ensure increasingly more effective impact of the interventions in the beneficiary Institutions.

8.1 Financial Returns

The following reports are to be submitted at the end of each quarter.

- Summary Report
This report gives the summary of the financial position of each intervention project in the beneficiary Institution. The specimen of the form is in appendix
- Expenditure Return
This is a report of the breakdown of expenditures in each project account. It also serves as a schedule to the Financial returns as it provides details of amounts paid to contractors on the project.

- **Bank Reconciliation statement**
Bank Reconciliation Statement is also accompanied with Bank statements for the months under view which can also include all the schedules to ascertain the correctness of the balance in the project account as reported.

- **Funds/Project Reconciliation Return**
This returns is to enable TETFund confirm that schedule of all remittances to the beneficiary Institutions were received and properly accounted for.
In addition, project fund balance are timely presented by the amount of available funds in the beneficiary Institution's bank account.

- **VAT & WHT Returns**
 - Schedule of VAT & WHT deductions made in the quarter and the amount remitted to the relevant tax authorities with copies of bonafide receipt issued by the Tax Authority
 - Schedule of balances outstanding on VAT and WHT payable accounts.

Annual Returns:

The following reports are to be submitted at the end of the year.

- All reports as in quarterly returns
- Full list of fixed Assets acquired with the project fund in the year, as contained in the Fixed Asset Register.
- Summary of stock ledger balances.

Audit and Monitoring documents

Beneficiary Institutions should ensure that copies of all quarterly and annual returns are retained and adequate records as required of them in this manual are kept and made available to TETFund Auditors and/or monitoring teams on demand

CHAPTER NINE

Emerging issues in 2009 Financial Regulation and Expectation of Auditor-General for the Federation on Receipts and Disbursement of Public Fund.

9.1 Introduction

The objective of this chapter is to acquaint the reader and the account officers of the new provisions in the 2009 Financial regulation that were not in the previous addition and to highlight some of the expectations of the Auditor-General for the Federation to avoid appearance at the Public Account committee.

Financial Regulation is one of the Financial Authorities which are the legal Instruments empowered to guide all public officers in carrying out government financial transactions; such financial transactions include the receipt, custody of and accounting for government revenue; the procurement, custody and utilization of government stores and assets, and the disbursement of funds from the major government funds. i.e the Consolidated Revenue Fund (CRF) Development Fund and The Contingencies Fund FR 101.

9.2 The Auditor-General Duties

The Auditor-General shall carry out the following statutory functions:-

- (a) Financial Audit in accordance with extant laws in order to determine whether government accounts have been satisfactorily and conscientiously kept.

- (b) Appropriation Audit - to ensure that funds are expended as appropriated by the National Assembly.
- (c) Financial Control Audit: to ensure that laid down procedures are being observed in tendering, contracts and store - keeping with a view to preventing waste, pilferage and extravagance.
- (d) Value for money (performance) audit- to ascertain the level of economy, efficiency and effectiveness derived from government projects and programmes.

9.3 Accounting Officers Special Responsibilities

Under The Procurement Act 2007

All Accounting officers of Ministries Extra Ministerial offices and other arms of Government are hereby charged with the following responsibilities

- (a) Preside over the activities of their Tender Boards for the proper planning and evaluation of tenders and execution of procurements.
- (b) Ensure that adequate appropriation is available for procurements in their annual budget.
- (c) Integrate their entity' procurement expenditure into its yearly budget
- (d) Ensure the establishment of a procurement Planning Committee over whose activities they shall preside

- (e) Constitute a procurement evaluation committee for the efficient evaluation of tenders.
- (f) Constitute a procurement committee
- (g) Render annual returns of procurement records to the Bureau of Public Procurement.
- (h) Liaise with the Bureau of Public Procurements to ensure the implementation of its regulations
- (i) Ensure compliance with the provision of the Public Procurement act by their organizations, failing which they shall be personally liable for any breach of contravention thereof, whether or not such breach or contravention was caused by them in person their subordinates or any person to whom they may have delegated their responsibilities (FR 113).

9.4 **Responsibilities Of Political Heads And Directive by them**

- (a) The Political Head of a Ministry shall be the Minister while that of a Parastatal, Extra-Ministerial office and other Arms of Government shall be the chairman of the Parastatal or Extra-Ministerial office and other Agencies of Government or as defined in the extant laws that govern their operations.
- (b) Any directive to the Accounting Officer by a Political Head having financial implications on the Ministry, Agency or Parastatal shall be in writing.

- (c) Should the implementation of a directive from a Political Head result in an unauthorized expenditure and/or contravene extant rules and regulations, the Accounting Officer shall be responsible for such an unauthorized expenditure unless a report had been made by the Accounting Officer to the Head of Service, in the case of Ministries/Extra-Ministerial office or to the Minister. In the case of Parastatals.
- (d) It shall be the responsibility of the Political Head to supervise and control the activities of his Ministry, Agency and/or Parastatal.
- (e) The Political Head shall exercise the responsibilities for supervision and control of the activities of his Ministry/Extra-Ministerial office and other arms of government as follows:-
- Endorsing the annual budget proposals of his Ministry/Extra-Ministerial office and other Agencies of Government to the Budget office,
 - Ensuring the implementation of the political programmes of Government as they relate to his Ministry/Extra-Ministerial office and other arms of Government
 - Ensuring compliance with the extant rules and regulations and policies of the Executive Arm of Government (Fr 116 - 118 refers)

9.5 General Duties Of Public Officers

Any Accounting officer, sub-Accounting officer and other offices having monetary or financial responsibilities directly connected with or arising from his official duties must in so far the following requirements may be applicable to his particular duties:-

- See that the proper system of account as prescribed by or under the authority of the Accountant-General is established and maintained.
- Produce when required by the Accountant-General or his representative, all Cash, Stamp, Securities and account books and vouchers in his charge and
- within twenty one days reply to formal queries or any other enquiries addressed to him by the Accountant-General and Auditor-General giving fully the particulars or information required.
- Disciplinary action will be taken against defaulting officers in accordance with the provisions of the codification of offences and sanction in chapter 31. In this connection, it is essential an officer of sufficient seniority is assigned the duty of ensuring that all formal queries reached are replied to in accordance with these regulations (FR. 123 refers).

9.6 Advice on Accounting Matters

Accounting Officers shall refer to the office of the Accountant-General for the advise on any matter affecting the accounts of their Ministries or Extra-Ministerial office and other Arms of Government which is not provided for in these Regulations. Any departure from these Regulations will only be permitted with the concurrence of the Accountant-General (FR. 127 refers)

9.7 General Receipt Treasury Book 6

Except where receipt or license book are specially printed for particular purposes, or where receipting machines are used. General receipts (Treasury Book 6) shall be used by all sub-Accounting officer. The original receipts shall be completed in bull pen, and double sided carbon paper shall be used to make the duplicate and triplicate copies. The original shall be handed or delivered to the payer by the officer who issued the receipt. The duplicate receipt supported with completed Treasury forms 15 or 15A shall be used as Cash book voucher and the triplicate receipt shall be retained in the book. (FR. 206 refer)

- For the purpose of accountability revenue received monthly as Federal Government Independent Revenue by Ministries/Federal Pay Offices shall be reflected in the monthly transcript and supported by Bank mandate schedule to the Sub-Treasurer of the Federation. (FR 209 refers).
- Each Ministry and other arm of government shall maintain a separate bank account for Revenue of the Central Bank of Nigeria or any other designated bank by the accountant-General. The balance of the account shall be transferred to the Consolidated Revenue Fund. (CRF).

- On no account shall any withdrawal be made from the revenue account other than for the purpose of transfer to the consolidate Account.
- Accounting officers of the Ministries/Extra-Ministerial officers and other Arms of Government who earn revenue in Foreign Currency are to ensure that such revenue is paid to the Central Bank of Nigeria without exemption. (FR 213 refer).
- Accounting officer shall expressly authorize otherwise at all stations where there is a bank in which the Government revenue account is kept, collectively shall be paid into the credit of the government account at the bank, the relevant bank credit slip supported by completed Treasury form 15 in duplicate being tendered to the sub-Accounting officer in lieu of cash at the earliest possible time (FR 219 refers).
- Interest earned on bank account must be properly classified to the appropriate revenue head of account and paid to the Consolidate Revenue Fund. (FR 222 refer).
- If at any time a public officer sustain loss of Revenue due to negligence, he shall be liable to be surcharged for the amount involved. (FR 232 refers)
- All remittance such as Bank notes cheque bank draft etc received through post or by hand shall be passed to the Director Finance & Account who will send them to Head of Account. This shall be immediately enter or cause to be so entered under the supervision

of the Head of Account into a paper money Register. Receipt shall be issued on the paper money received.

- It is mandatory for the accounting officer to ensure full compliance with the bank roles of making provision for the Value Added Tax (VAT) and withholding Tax (WHT) due on supply and services contract and actual remittance of same. (FR.)

9.8 Authority for Expenditure

- The annual Estimates and Appropriation Act are instruments used to limit and arrange the disbursement of the funds of the Federal government. No expenditure may be incurred except in the authority of a warrant issued by the Minister of Finance. No expenditure may be incurred by any officer on any services, whether or not included in the estimates, until he has received an authority to do so in accordance with one of the following provisions in these rules and regulation. Any officer controlling a vote or part thereof who incurred expenditure without such authority does so on his sole responsibility and will Consequently be held peculiarly responsible for his actions (FR 301 refers)
- It is the duty of every officer controlling a vote to monitor the expenditure pattern of his Ministry with reference to the amounts provided in the Estimates. He shall keep a departmental Vote Book or control mechanism that will clearly show:-
 - The amount sanctioned in the Estimates
 - Amount of additional and provision
 - Any reduction of the provision by virement. (FR. 402 refers)

9.9 Lapse of Authorities

- The authority for recurrent expenditure conveyed by any of the warrant lapses at the end of the financial year to which it relates. Any unspent balance required for the completion of a service must be provided for in the estimates of the year in which the sum will actually be expended.
- In the case of capital expenditure, any amount conveyed by any of the warrants which has not been cash-backed from the Consolidated Revenue Fund Account (CRF) automatically lapses at the end of the Financial year.
- Any balance in the Capital Current Account (CCA) at the end of the Financial year which has not been cash backed into the Capital Account of the spending Ministry/Agency shall lapse by 31st March of the following year.
- Any amount Cash-backed into the account of the spending Ministry/Agency shall not lapse but shall be utilized for the purpose stated in the warrant. (FR 413 refers)

9.10 Payment Due to Contractors but not Paid

Without prejudice to FR 312 in respect of supplementary expenditure warrant. Any fund due to Contractors whose project has been provided for in the Annual Budget and the "certificate of no objection" to award contract has been obtained shall be entitle to payment.

- Pursuant to above, the Accountant-General shall determine the level of such amounts due but which could not be paid owing to lack of funds at the end of the financial year and seek approval of the Honourable Ministry of Finance for a revote through supplementary appropriation in the subsequent year. (FR 416 refers).
- Expenditure shall strictly be classified in accordance with the Estimates and votes must be applied only to the purpose for which the money is provided. Expenditure is correctly charged to a vote shall be disallowed.(FR 417).
- The classification of a voucher shall not be charged arbitrarily by a checking officer. An alteration to the classification of a voucher shall only be effected by the officer controlling expenditure who will amend his vote book accordingly. (FR 421 refers).
- All instrument of commitment. Indent, LPO, Job order and signed contract must be entered into the vote book as liabilities (FR 422 refers).
- Payment shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying officers must satisfy themselves that the person claiming the payment is the person authorized to receive the amount. (FR 613 refers).
- When payments are to be made to legal representatives, authorities such as Powers of Attorney, letter of Administration etc. shall be presented to the sub-Accounting officer for inspection and a certificate showing that they have been seen should be appended to the voucher. If possible, the authority

itself should be attached to the voucher. The only exception to this rule is that provided by section 64 of the Administrator-General ordinance (Administrator-General Act Cap 473) governing payment to the legal personal representative of a deceased person when the amount of the estate does not exceed N2000.00. (FR 615 refers).

- Honour certificate - when it is impracticable to obtain receipts for petty disbursements, a certificate to that effect must be given on the face of the voucher signed by the payee (FR 617 refers).
- Certificate of Indemnify - when a payment to a firm is in doubt due to loss of relevant documents, e.g payment voucher and an initial investigation has revealed that no payment had been previously made to the firm, the payee shall be made to issue a certificate of Indemnity to Indemnify the Federal Government against double payment should an earlier payment be established at a later date. (FR 618)
- Stamp duty - Receipts given on payment vouchers are liable to stamp duty in accordance with the Stamp Duties Ordinance (Stamp Duties Act Cap. 411). Any receipt amount given for payment for goods and services if the amount is N1000.00 or over a stamp of N50.00 is required in respect of each signature acknowledging an amount. (FR. 620 refers).

9.11 Authority for opening of Bank Account:-

- No official bank account shall be opened unless authorized by the Accountant-General. Each approval account shall be maintained under an official designation.
- Each establishment shall be allowed to operate only three(3) bank accounts as follows: Salary account, Overhead Cost Account and Revenue Account.
- No other bank account shall be allowed without the express approval of the Accountant-General
- No ministry shall be allowed to operate any bank account in the outstation office without approval of the Accountant-General.
- No multiplicity of bank accounts shall be allowed beyond the three account listed above.
- Every organization shall submit a return of their bank accounts half yearly to the Accountant-General giving details of all bank accounts maintained, the name of the bank, account member, designation and branch name and rank of the signatories to the account. (FR 701 refers).

9.12 **Making of Payment** - on no account should payment be made for services not yet performed or for goods not yet supplied. (FR 708 refers)

- **Right of Access** - The Accountant-General and Auditor-General or their representatives have the right of access to records of all bank accounts of all ministries, extra-ministerial offices and other arms of government and are entitled to any information they may require in connection with such accounts. (FR 709 refers).
- **Idle Funds** - Idle funds in the accounts of mission abroad may be invested in revenue short term deposits but with the prior approval of the Accountant-General
 - Where such idle funds are invested, the accrued interests received thereof shall be classified to the appropriate revenue head and sub-head and remitted to the Treasury.
 - Proper investment records shall be maintained by the mission Agency concerned. The Accountant-General and Auditor-General shall be informed when the bank deposit or the Investment is made. (FR 711 refers).

9.13 **Private money in Government Bank** - Personal money shall in no circumstances be paid into a government bank account, nor shall any public money be paid into a private bank account. Any officers who pays public money into a privates account is deemed to have done so with fraudulent intention (FR 713 refers).

9.14 **Bank charges**- No government organization or agency shall place government funds in any Commercial Bank that will charge any commission on transactions. All officer shall ensure that monthly

statements of the bank accounts are obtained regularly and to confirm that no commission on turnover COT is being charged.

Note: No agency shall PLACE government funds in any commercial bank that will charge any COTi.e. Where a bulk money is place in the bank not when he collect revenue on behalf of the Agency or other services. (FR 734 refers).

9.15 **Investment of Idle Funds** - Idle funds in the Bank Account of MDAs shall only be invested in Treasury bill in accordance with extant circulars' (FR 739 refers).

- Imprest - On no account shall personal Advance be used to disguise of Special Imprest, in the procurement of stores which is governed by provision of chapter 23 (FR 1004 b ii).
- Frequency of obtaining reimbursement - The frequency of obtaining reimbursement of any standing Imprest shall be limited to once in a quarter but where the need arise, should not be more than twice in the quarter. (FR 1011 ii).

9.16 **Custody of bonds and Agreement** - Bonds and Agreement particularly those which safeguard the financial interest of government should be kept in a strong-room or safe. (FR 1123 refers).

- Money received by post- Every office of which money or articles or documents of value are received through the post must be provided with

- A padlocked post office mail bag in which all letters from the post office shall be delivered. The key of the padlock shall be kept by the officer in charge of the post office and the mail bag opened in his presence.

A register is to be kept by the officer. (FR 1129).

9.17 **Printing of Treasury Receipt** - Receipt and license books printing order must be placed by Accountant-General with the Nigerian Security Printing Minting Company (NSPMC) for the supply of Treasury Book 6 & 6A. Every issue made by the NSPMC to the Accountant-General shall be accompanied by a Receipt Book Issue Note (RBIN). The NSPMC shall furnish the Auditor-General with a copy of each issue note. On no account may revenue earning receipt and license book or fixed ticket booklets be obtained from any printer other than the Nigerian Security Printing Minting company (NSPMC) or any printing authorized by the Accountant-General of the Federation. (FR 1203 refers)

- Auditor-General copy of RBIN - Every issue of a receipt book or books shall be accompanied by a Receipt Book Issue Note which will be serially numbered and printed in quadruplicate. A copy is forwarded to Auditor-General for the Federation (FR 1206 refer)

- Transfer of Receipt Book - Receipt and Invoice book will not be transferred between sub-accounting officer. (FR 1213)

9.18 **Handing Over Certificate** - when one officer hands over to another certificates signed by both officers are required in respect of all receipt or license book or forms on charge. The certificates should be supported by detailed list showing the

quantity and serial numbers of each type of book, and the officer taking over should sign below the last entries in the stock Register (FR 1226)

- 9.19 Personal Advances which are cash loans to individual officers in the employment of the Federal Government of Nigeria may only be granted on the authority of Financial Regulation and public Service Rules. Applications for Non-Personal Advance must state the reason for the Advance, the method of retirement and the person to be held responsible for clearing the advance (FR 1401-1402 refers)
- 9.20 **Pension Scheme** - contributions by the employer and deductions from employees' salaries shall be centralized and made at source before monthly allocations of personnel costs are released upon receipt of the warrant from the Minister of Finance.

Contribution by the employees will be based on the basic salary in addition to transport and housing allowance (FR 1901)

- The amount to be deducted as government's share that from the salary of each officer as follows: civilian staff - 7.5% of basic and allowance. Military has opted out from the scheme. Government contribution to civilian staff is also 7.5% of basic salary and allowance.
- exempted officers - all employees who are entitled to retirement benefit before 1st July 2004 and those who have three (3) or less years to retire from the service.
- Judicial Officers appointed to the Supreme Court or court of Appeal and other judicial officers appointed to any other

court, as per section 291 of the 1999 constitution of the Federal Republic of Nigeria (FR 1903)

9.21 Accounting for the contribution - the contributions from both the employers and employee shall be accounted for in the following manner.

- ❖ National Pension commission (NPC) will open Retirement Saving Account (RSA) for each employee and credit both the collections and interest earned to the account (FR 1904)
- ❖ All accounting officers shall ensure that a subsidiary Account pension unit is created in their ministries/Extra ministerial offices and other arms of government. The section shall function independently of the main subsidiary accounts section of the ministries/extra ministerial offices and other arms of Government (FR 1905)
- ❖ On receipt of monthly personnel cost warrants from the budget office, the Director of Finance and Accounts shall ensure the issuance of Treasury receipt. Book 6 in respect of the gross amount in the warrant, while a nominal payment voucher is raised to account for the deduction at source. Both the treasury receipt voucher and payment voucher should be classified to cash transfer code 2000 series (FR 1907).
- Actual deduction of 7.5 % contribution as the case may be from the personnel emolument shall be effected during the pay rotting process. The Director of Finance and Accounts shall ensure the raising of nominal TF 15 and TF1 on payment basis which shall be classified to each ministries /extra-ministerial offices (FR 1908)

- A separate subsidiary cash book shall be maintained in respect of all TF 15 and TF 1. The monthly total which should agree shall then be transferred to the main salary cash books. Any variance should immediately be reconciled before transfer to the main cash book (FR 1909)
- The Director of Finance and Accounts shall ensure that actual monthly deductions as reflected in the cash book agree with the sum deducted at source. Any variance should be reconciled and communicated to the budget office of the Federation for necessary adjustment (FR 1910)
- Original copies of all TF15 supported with schedules of contributors on a given pay point shall be forwarded to pension sub-accounts section for posting and updating the individual ledger amount of all employees.
 - ❖ All ledger accounts shall be kept in strong room or fireproof cabinets when not in use.
 - ❖ Where the system is computerized, individual ledger account shall be maintained in the system and produced when necessary (FR 1911 refers)
- The subsidiary pension Accounts Section shall prepare quarterly reports stating the cumulative contribution of all employees. Copies of this report shall be distributed as follows;

- (i) The accounting officer
- (ii) Accountant-General
- (iii) Auditor General
- (iv) The Budget Office
- (v) The National Pension commission
- (vi) The Pension Administrator. (FR1912)

- On the transfer of an officer, from one ministry/extra ministerial office and other arms of government and forwarded along with a certified true copy of his ledger card to his new ministry/extra-ministerial office and other arms of government.

On the receipt of the LPC and the certified true copy of ledger card, the pension sub-accounts section of his new ministry/extra-ministerial office and other arm of government shall open a new ledger card using the closing balance on the certified true copy as his opening balance for the transferred employee.

The Budget office and the Pension Fund Administrator shall be duly informed of the transfer (FR 1913)

- On the death, retirement or termination of appointment of an officer, a last pay certificate shall be prepared and forwarded to the Pension Fund Administrator with copies to the Budget office, Accountant-General, Auditor- General and pension Commission. (Fr 1914)

9.22 Government Vehicles Control

- The accounting officer, shall be responsible for ensuring that there are effective controls in the use of government vehicles.

For this purpose, he will ensure that the following records are maintained:-

- (a) Vehicle control register
- (b) Requisition approval for journey
- (c) Vehicle log Book (Gen 59)
- (d) Vehicle maintenance register.

Official transport is to be used on all occasions to facilitate government business but shall not be used for private journeys (FR 2001-2002).

9.23 Attachment of Vehicle to a Driver

- As much as possible, a particular vehicle should be attached to a particular driver over a period to facilitate accountability for the movement and general condition of the vehicle. The existing practice whereby any driver has access to any vehicle in the pool - system is inimical to good care and proper maintenance and should be avoided (FR 2004 refers)
- Fueling of Car - MDAs shall enter into reasonable agreement with petrol dealers for supply of fuel on a monthly credit basis. As much as possible, cash purchases should be limited to touring duties and emergency cases where supply is immediately available from the regular supplies (FR 2005 refers)
- Accidents to Government vehicles (FR 2011 2019)

- 9.24 Depreciation for write-off - For the purpose of arriving at the estimated value(s) of stores motor vehicles, plants and equipment, the following guidelines are provided - For motor vehicle with engine capacity of 2000cl and below as well as construction vehicles over 7 tonnes:
- Under 1 year old -20% reduction on original cost
 - Between 1 & 2 years old - 40% reduction on original cost
 - Between 2 & 3 year old - 60% reduction on original cost
 - Between 3 & 4 year old - 80% reduction on original cost
 - Between 4 &5 year old - 85% reduction on original cost
 - Between 5 & 6 year old -90% reduction on original cost
 - Between 6 & above old -95% reduction on original cost
 - In case of a vehicle rendered unserviceable as a result of accident or whose working life has come to premature and for other reasons, arrangement should be made within two months of such accident or where Police investigation is involved, immediately after such investigation to have the vehicle inspected and certified as such by an Engineer or technical expert such as mentioned in above. who should also produce a valuation report for the guidance of the Board of survey
 - For plants and equipment, an engineer's estimated value of the asset at the time of the write-off or disposal shall be obtained.
 - For general stores, the estimated value shall be furnished by a stock verifier
 - In an overseas motor vehicle can be written off at depreciation vehicles can be written-off at depreciation rates prevailing in the host country. (FR 2622 refers)

9.16

Tender Consideration - No contract work involving construction shall be considered by Tender Board unless:-

- The land has been acquired and the topographical map and soil test (except where it is certified by the Architect that it is not necessary) has been approved by the appropriate authority. The documents relating to the land, the survey map, the soil test report or certificates of exemption by the architect should form part of contract document to be presented to the Tender Board.
- The design of the building, road etc. relating to above is broken down into
 - (i) Architectural design
 - (ii) Structural design
 - (iii) Electrical design
 - (iv) Mechanical design
 - (v) Bill of Quantities
- Technical details of the project shall be made available to the procurement planning committee for proper costing.
- Tenderers shall be requested to purchase the designs for a non-refundable fee the amount of which shall be determined from time to time (FR 2925 refers)

Audit Queries - Any Accounting officer or public officer who fails to give satisfactory explanations to the audit queries within the stipulated time as indicted in the provision of this chapter of the Regulation shall be sanctioned accordingly as provided for in this chapter (FR 3101 refers)

A public officer on receipt of a query from the Auditor-General for a poor quality work carried out by a contractors etc, has 42 days to get the contractor to rectify the abnormalities or get refund for the amount over paid as a result of the poor job and other anomalies, if the query remains unanswered after the time limit, the officer(s) that certified the job for payment or commit the anomalies should be demoted in rank while the contractors blacklisted and reported to the EFCC for persecution.

Expectation of Auditor-General for the Federation from all the MDA,s

Auditor-General expectation is that all MDA's comply with the rules and regulation without exemption.

The areas that are pronounced are:

- (i) Non-preparation of audited Account and non-replying to audit observations. In line with chapter 31 of the Financial Regulation 2009 edition, auditor-General has now been mandated to report any of the MDA's to EFCC or ICPC.
- (ii) Non-retirement of cash Advance whereas the extent regulation stipulate immediately the assignment is collected the retirement should be rendered.
- (iii) Operation Account is being operated as personal account whereas it is not. The operational Account Name should include the name of the organization e.g. S.O. Olu/Ministry of Power: In case any thing happens to S.O. Olu. The name of the signatory can be change at any time.