

UNIVERSITY OF LAGOS

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

*COMPILED BY: BURSARY DEPARTMENT
&
APPROVED BY: THE UNIVERSITY COUNCIL*

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CHAPTER ONE

FINANCIAL AUTHORITIES

1.0 Financial Authorities in the University are the legal instruments that empower and guide all University officers in carrying out University financial transactions. Such financial transactions include the receipt, custody of and accounting for government revenue, the procurement, custody and utilisation of government stores and assets, and the disbursement of government funds.

1.1 Organs and Officers of the University with Financial Authorities

Those empowered to carry out the financial authorities within the University are:

i Governing Council

Council shall be the governing body of the University and shall be charged with the general control and superintendence of policies, finances and property of the University. Council shall ensure that proper accounts of the University and each of its Units and the CMUL are audited annually by an independent firm of Auditors.

ii The Vice Chancellor

The Vice Chancellor shall be responsible to the Council for the overall management and control of the funds of the University and shall be the Chief Accounting Officer of the University.

iii The Bursar

The Bursar shall be the Chief Financial Officer of the University and shall be responsible to the Vice Chancellor for the day-to-day administration and control of financial affairs of the University which include but not limited to the following:

- (a) To ensure that the funds of the University are spent in accordance with the Regulations laid down by Council and that no monies of the University are spent without appropriate authority.
- (b) To ensure adequate supervision of the disbursements of University funds and proper monitoring, and accounting for revenue.
- (c) To receive on behalf of the University all subventions, fees, assets and revenue payable to the University and his official receipts shall be sufficiently discharged for the same.
- (d) To maintain proper accounting records of income and expenditure, assets and liabilities.
- (e) To ensure compliance with financial regulations and the accounting code by all staff under his control and supervision.
- (f) To maintain proper accounting records such as books of accounts, main and subsidiary ledger accounts.

(iv) Other Principal Officers

They shall be responsible for the financial activities of units and offices under their superintendence.

(v) Provost, College of Medicine

The Provost of the College of Medicine shall be the Head of the College and there shall be a Court of Governors of the College of Medicine which shall control the property and expenditures of the College and be responsible to the Council for the submission of financial proposals relating to the College through the Vice Chancellor to Council.

(vi) Deans, Directors and Heads of Department/Unit

These officers shall be responsible for the financial activities of their respective Faculties/Departments and Units.

They shall:

- Exercise due care over the University's assets in their respective Faculties/Departments and Units.
- Ensure that Imprests are properly managed for official purposes.
- Report cases of financial irregularities to the authorities. The responsibility of the Chief Internal Auditor of the University in checking any shortcomings in connection with the faculty/departmental finances shall not absolve any Dean/Head of Department/Unit from his responsibility.

In exercising the above powers, every Faculty/Department/Unit shall have a Finance Committee comprising of no fewer than three members, to consider and approve all expenditures relating to the Faculty/Department/Unit. The Dean/Director/ Head of Unit shall be the Chairman of the Finance Committee as the case may be.

1.2 Head of Internal Audit Unit

The Head of Internal Audit Unit shall be responsible to the Vice Chancellor and shall have responsibility for the performance of the following assigned duties:

- General prepayment audit of Vouchers.
- Assets verification and price monitoring.
- Systems auditing and investigation.
- Monitoring and reviewing of controls.
- Expression of opinions on observations noted.

1.3 The financial authority limits as specified by the **Procurement Act 2007** are as follows :

The Vice Chancellor, being the Chief Accounting Officer of the University, presently has the following approval limits:

- | | |
|--|----------------------|
| (a) General Goods & Services | Less than N2,500,000 |
| (b) Works | Less than N5,000,000 |
| (c) Non-Consultant/Consultant Services | Less than N2,500,000 |

1.4 Financial Authority as approved by the Governing Council: The following shall be the Financial Authority for conduct of public procurement in the University.

	N
Other Principal Officers	up to 250,000
Chairmen of Specified Boards (i.e. CITS, HRDC, DLI ,Medical Centre)	up to 500,000
Chairmen of other Management Boards	up to 250,000
Deans and Directors (Specified Units)	up to 250,000
Heads of Departments	up to 150,000
Heads of Unit under Departments	up to 100,000.

1.5 The legal and regulatory framework of Bursary within the University include the following:

- The Constitution of the Federal Republic of Nigeria 1999(as amended)
- Finance (Control & Management) Act 1958 (as amended)
- Audit Act 1958
- Public Procurement Act 2007
- Fiscal Responsibility Act 2007
- Financial Regulations of the Federal Republic of Nigeria 2009
- Treasury Circulars
- Pension Reforms Act 2014 (as amended)
- Tax Acts (Various)
- Annual Appropriation Acts
- Tertiary Education Trust Fund (TETFUND) Acts 2011 as amended
- University of Lagos Act 1967 (as amended)
- Other directives on financial matters by the Federal Government.

The University shall at all times, adopt government financial reforms as handed down from time to time.

CHAPTER TWO

FINANCIAL REPORTING

2.0 The Statement of Accounts for each financial year shall be prepared in accordance with the International Public Sector Accounting Standards (IPSAS) provisions and submitted to the External Auditor within three months after the end of the financial year.

The University Council shall appoint an External Auditor who shall audit and report on the affairs of the University to the Council.

The External Auditor shall submit the Audited Accounts and Management Report to the University Council within the stipulated time in the Engagement Letter.

The Vice Chancellor shall submit both the University Council approved Audited Accounts and Management Report to the Auditor-General for the Federation and the Accountant-General of the Federation as well as the National Universities Commission (NUC) and the Public Accounts Committee (PAC) of National Assembly not later than 31st May of the following year or as may be directed by the Financial Regulation of the Federal Republic of Nigeria.

2.1 Components of Financial Statements Components of financial statements include:

- Statement of financial position (SFP) formerly “Balance sheet”.
- Statement of comprehensive income formerly “Income & expenditure statement”.
- Statement of cash flows formerly “Cash flow statement”.
- Statement of changes in equity.
- Notes comprising a summary of significant accounting policies and other explanatory information.

CHAPTER THREE

RECEIPTS

3.0 All payments to the University of Lagos account shall be made by logging unto the University website

(www.unilag.edu.ng). The University shall issue official receipts for all payments made to it. Official receipts of the University of Lagos shall be printed only on authority of the Bursar. Such receipts shall be serially numbered. The Internal Audit Unit shall witness and verify the delivery of such receipts.

3.1 The Accountant in charge of the Treasury shall keep the receipt booklets and its stock registers and ensure that they are kept under lock and key.

3.2 Where a receipt is cancelled and a fresh one issued, the original and the book copies of the cancelled receipt shall be retained in the receipt booklet.

3.3 The Accountant must give notice of loss of any receipt booklet to the Bursar, who should notify the Vice-Chancellor.

3.4 Cashiers must hand over the takings for the day as well as both used and unused receipt booklets to the Accountant at the end of each day.

3.5 If any officer comes in possession of University monies in the course of official duties, the officer shall lodge them without delay with the Bursar who shall authorise the issuance of an official receipt.

3.6 All such monies collected shall be paid intact into the University account within 24 working hours. Under no circumstances shall payment be made out of the takings.

3.7 Miscellaneous receipt booklets are supplied to units where revenue is collected. All collections are to be paid to the Cash Office on daily basis. Such payments to the Cash Office shall be properly receipted. All used miscellaneous receipt booklets are to be returned to the Bursary before new ones are issued to the Units. It is not permissible for any Unit to defray any expenses out of the money collected as all takings are to be paid intact to the Bursary.

3.8 Sources of University Receipts

The University Receipts are from the following sources:

- Subvention from the Federal Government of Nigeria
- Receipts from students
- Receipts from staff
- Sundry Receipts
- Gifts, Donations, Grants & Endowment

- Income from Investments
- Receipts from Income Generating Units/Auxiliary Units
- Proceeds from research

3.8 (i) Subvention from Government

The greater part of the revenue of the University comes from this source which includes:

- Personnel Grant
- Overhead Grant
- Capital Grant
- Tertiary Education Trust Fund
- Special Intervention Fund

3.8 (ii) Receipts from Students

Fees payable by all categories of students shall be paid to University Treasury Single Account in the Central Bank of Nigeria by logging unto the University website (www.unilag.edu.ng)

3.8 (iii) Receipts from Staff

The receipts from staff include the following:

- Interest on staff loans
- Rent paid on quarters
- Electricity Charges recovered

3.8 (iv) Sundry Receipts: These cover all other miscellaneous receipts:

These are receipts from the following;

- Sale of Application forms
- Electricity charges paid by consumers
- Hire of University properties
- Hire of Buses

3.8 (v) Gifts, Donations and Special Grants

Gifts, Donations and Endowment; The University recognizes this type of revenue in the budget only when it is received. The Special Grants are funds or revenue received from individuals, Governmental and Non-Governmental Organisations. The funds are dedicated to specific projects.

3.8 (vi) Income from Investments

Income from this source is made up of interest received from Fixed Deposit Accounts and Treasury bills and other financial instruments found suitable.

3.8 (vii) Receipts From Auxiliary Units

The following Auxiliary Units shall generate funds to sustain their objectives in the University: □ Human Resources Development Centre

- Distance Learning Institute
- Foundation Programme
- Property Development Management & Investment
- Auditoria Management Board
- Institute of Continuing Education

3.8 (viii) Proceeds From Research

This comes in form of Administrative charge on all research grants except research grant from any government in Nigeria. The Chargeable rate is 10% or as may be determined by management from time to time.

3.8 (ix) University of Lagos Holding Company Ltd (Unihold) & Unilag Consult & Unilag Property Ltd

These are companies established by the University to operate as University Business enterprises. The University has 100% ownership.

The Units that make up UNIHOLD are:

- Unilag Guest Houses and Conference Centre Limited
- Unilag Press and Bookshop Limited
- Unilag Pharmacy Limited
- Unilag Ventures Limited

3.8 (x) All other receipts due to the University apart from government Subvention shall be collected immediately it is due and where necessary payment shall be requested in advance of service. Where receipt falls due for payment periodically, a written notice shall be sent out well in advance of the due date, stating the amount due for the period and latest date by which payment must be made.

CHAPTER FOUR

CAPITAL GRANTS

4.0 The Federal Government allocates Capital grants to specific capital projects. Allocations of grants are made to the University for Main Capital and rehabilitation Projects. Once such allocation is made, the University is obliged to adhere to it in its financial transactions. Capital projects are also funded from Internally Generated Revenue (IGR) of the University to augment government grants.

4.1 Capital grants that fall under these categories are:

- Main Capital Grants
- Rehabilitation Capital Grants
- Teaching & Research Equipment Grant

4.2 Main Capital Grant

Grants under this category are classified as main capital projects. They are used to undertake major capital projects such as:

- Construction of Buildings (i.e. Academic and Non – Academic Buildings) □ Construction of Roads.
- Purchase and installation of capital equipment such as Telecommunication Equipment, Upgrade of Electricity Infrastructure, etc.

4.3 Rehabilitation Capital Grant

Grants under this category are classified as rehabilitation projects. They are used for major rehabilitation, renovation and upgrade of existing equipment and facilities. The fund can also be used for replacement of minor capital equipment which can neither be funded under the main capital grant nor the capital (From Recurrent) vote due to size and nature of expenditure. Projects under this category include:

- Rehabilitation of Buildings (Academic and Non-Academic Buildings, Students' Hostels and Staff Quarters)
- Rehabilitation of Roads
- Minor Capital works
- Upgrade and Maintenance of Electrical Infrastructure
- Upgrade and Maintenance of Water and sewage infrastructure

4.4 Teaching and Research Equipment Grant

The grant is for the acquisition of Tools and Equipment for teaching and research purposes. Items that fall under this category are:

- Computers
- Laboratory and Workshop equipment
- Tools and Equipment
- Overhead Projectors
- Audio Visual Equipment
- Internet/E-mail projects

CHAPTER FIVE

INTERVENTION FUNDS

5.0 Intervention funds are to provide supplementary support to all level of public tertiary institutions with the main objective of using funding alongside project management for the rehabilitation, restoration and consolidation of Tertiary Education in Nigeria.

5.1 TETFUND

Tertiary Education Trust Fund (TETFUND) was established as an intervention agency under the TETFUND ACT 2011, charged with the responsibility of managing, disbursing and monitoring Education Tax to Public Tertiary Institutions in Nigeria.

To enable the TETFUND achieve the above objectives, TETFUND ACT 2011 imposes a 2 percent (2%) Education Tax on the assessable profit of all registered companies in Nigeria. The Federal Inland Revenue Service (FIRS) is empowered by the Act to assess and collect Education Tax. The Fund administers the tax imposed by the Act and disburses the amount to tertiary educational institutions at Federal and State levels, specifically for the provision of the following:

- Essential physical infrastructure for teaching and learning
- Instructional materials and equipments
- National Research Project
- Journal Publication
- Research and publication
- Academic staff training and development
- Conference attendance
- 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.

5.2. TETFUND also monitors the projects executed with the funds allocated to the beneficiaries and also ensures that funds generated from education tax are utilised to improve the quality of education in Nigeria without directly awarding the contract by:

- Providing funds for educational facilities and infrastructural development
- Promoting creative and innovative approaches to educational learning and services.
- Stimulating, supporting and enhancing improvement activities in educational foundation areas like Teacher Education, Teaching Practice, Library Development, etc.
- Championing new literacy-enhancing areas such as scientific information and technology literacy.

The University shall submit its reports to the TETFUND Office.

5.3 The Intervention fund can be categorised as follows:

□ **Normal Intervention**

This is an Equipment/Furniture-based Intervention fund project. Fund under this category can also be used for the construction of building and procurement of teaching and research equipment.

□ **Library Intervention**

This is for the procurement of library furniture, equipment and books including e-library.

□ **Special Intervention**

This is an intervention fund allocated at the discretion of the TETFUND Board of Trustees. It is for infrastructural construction of buildings and equipment based projects.

□ **Special High Impact Intervention**

This is an intervention allocated at the discretion of the TETFUND Board of Trustees. They are funds for selected tertiary institutions to achieve a major turnaround through Programme Upgrade and Improvement in the Teaching and Learning Environment.

5.4 National Economic Empowerment and Development Strategy (NEEDS ASSESSMENT).

This is the appraisal of the exigencies of tertiary institutions on priority basis. It is in line with the renegotiated agreement between Federal Government of Nigeria and Academic Staff Union of Universities (ASUU) in 2009. The intervention fund is for the revitalization of the Universities.

The University shall through the Council and Budget Monitoring Committee (BMC) be responsible for initiating, implementing and monitoring of projects.

The University shall on request submit its reports to the Implementation Monitoring Committee through the Federal Ministry of Education.

5.5 Objectives of NEEDS Assessment.

- Rehabilitate and upgrade the physical facilities for teaching and learning in the Universities in order to create an atmosphere conducive to the training of high level manpower for the country.
- Ensure that the qualifications of academic staff are upgraded through a robust sponsorship for postgraduate studies within and outside Nigeria.
- Ensure the availability of both basic and high end learning resources for teaching and research.
- Improve on municipal infrastructure in order to maintain the basic facilities and services that make for a livable and functional University environment.

This fund shall be used for the following:

5.6 Physical Projects

This involves the construction and rehabilitation of dilapidated physical infrastructure for teaching and learning such as lecture classrooms/theatres, laboratories, workshop, studios, staff offices as well as hostels and municipal services such as water, electricity, access roads, etc.

5.7 Procurement

This involves procurement of learning resources such as equipment and machinery for laboratories, workshops, studios and libraries, computer hardware and software as well as vehicles, generators, furniture and fittings for classrooms/ lecture theatres, staff offices and hostels.

5.8 Training

This involves training of teaching staff to achieve the goal of progressively upgrading their academic qualifications. The intervention is targeted at postgraduate training leading to the award of higher degree (Masters and Ph.D) not for conferences of professional association.

CHAPTER SIX

RESEARCH GRANTS

6.0 University Research Grants

University Research is a continuous academic exercise. It is funded through:

- (i) Government Funded Research Grant
- (ii) External Research Grant

The first relates to the Research Grants for which fund is provided by the Federal Government and it is substantially being augmented by the Internally Generated Revenue (IGR). The second relates to other External Research Grants either from within or outside the country.

6.1 Federal Government Funded Research Grants

The rule stipulates that this research fund shall be kept separate from other funds of the University and returns are made periodically to relevant government agencies. The grant is administered by the University through its Central Research Committee (CRC). The Committee is charged with the responsibility of recommending for approval of research grants to Academic Staff of the University and the fund is augmented by the University Internal Generated Revenue (IGR). The Grant is divided into two categories:

- a) Main Research Grant
- b) Mini Research Grant

6.2 Main Research Grant

Presently, this category of grant is to the tune of ₦3,000,000.00 (Three Million Naira Only) per research.

6.3 Mini Research Grant

Presently, this category of grant is to the tune of ₦1,000,000.00 (One Million Naira Only) per research.

6.4 Disbursement of Federal Government Funded Research Grant

The Central Research Committee shall have the responsibility to recommend the approval of the Grant. Payment of these grants to researchers is subject to the approval of the Vice Chancellor.

The disbursement of the grant is made after researchers have satisfactorily defended their proposal before the Central Research Committee. The Bursary shall have the responsibility to ensure that the Budget of the proposed research is in line with the University financial guidelines. The Budget is implemented in phases because disbursement is done in tranches. The first tranche of disbursement for the Main

Research Grant is 40% of the total grant while that of the Mini Research Grant is 50%. The Research Grants may be disbursed in the form of Advances which will be accounted for by the Principal Researcher.

A Central Research Committee (CRC) Form D and a Pro-forma Invoice are two bases upon which monies shall be released to the account of the researcher. The CRC Form D shall be duly signed by the Researcher and approved by the Chairman of the Committee.

6.5 External Research Grants

With regards to external research grants, the University enters into an agreement with the grantor of the grant. Such an agreement shall be signed on behalf of the University by the ViceChancellor.

Each research grant shall be supported by a budget, and accounting records according to its own terms and conditions. Should there be any need to vary any item in the budget; the Project Leader shall seek the permission of the grantor for such variation.

Where no conditions are stipulated by the grantor, the following conditions are applicable:

- a) The research funds are regarded as part of the University fund therefore must be accounted for in the same way as other items of expenditure in the University Budget.
- b) All appointments of research staff whether on permanent or temporary basis shall be made through the Registry where Appointment Letters will be issued.
- c) Local Purchase Orders shall be issued for the purchase of materials and equipment in the same way as any other expenditure in the University. Where Local Purchase Orders are not normally acceptable, for example purchase in the local markets, an advance may be given to the researcher who will account for it, by way of statement of expenditure supported by receipts, where applicable. Such advances shall be accounted for promptly.

6.6 Appointment and Payment of Research Assistants

The Principal Researcher shall introduce the Research Assistants who are to work with him/her on the Research Project to the Registry.

The Appointment of Research Assistant is in two Categories: a) Graduate Research Assistant

- b) Non- Graduate Research Assistant.

The payment to Research Assistant for services rendered is made by the Bursary directly to the Research Assistant's Account at the applicable rate.

CHAPTER SEVEN

BANKING OPERATIONS

7.0 The University shall operate Bank Account with Central Bank of Nigeria or any other bank as may be approved by the Accountant General of the Federation. The Bank account is maintained according to the guideline laid down by the Accountant General of the Federation. The current Bank Account is operated by E-Payment through Treasury Single Account (TSA) which resides with Central Bank of Nigeria.

- Federal Government of Nigeria E-Collections scheme is a comprehensive electronic solution for the remittance, management and reporting of all Federal Government receipts (revenues, donations, transfers, refunds, grants, fees, taxes, duties, tariffs, etc.) into the Treasury Single Account (TSA) and sub-accounts maintained and operated at the CBN.
- Treasury Single Account is a bank account or set of linked accounts through which the government transacts all its receipts and payments.
- Benefits of TSA/e-collection.
 - (i) Ensures availability of funds for the execution of government policies, programmes and projects.
 - (ii) Controls aggregate cash flows within fiscal and monetary limits.
 - (iii) Improves management of domestic borrowing programme.
 - (iv) Investment of idle funds.
 - (v) Improves transparency and accountability of all Federal Government of Nigeria (FGN) receipts.
 - (vi) Consolidated view of government cash position.

The TSA/e-collection is applicable to all Ministries, Departments, and Agencies (MDA) and for all receipts, whether revenue or not. The only exception is Federal Government equity funded enterprises from which dividends are expected.

7.1 Categorisation under the TSA Scheme

S/N	MDA CATEGORY	EXAMPLE	IMPLEMENTATION STRATEGY
1	MDAs fully funded Government Budget	All Ministries, Departments, Agencies and Foreign	i.) All Collections from these Agencies into the CRF/TSA. Expenditure from CRF/TSA based on Annual Budget ii)
2	MDAs partially funded Government Budget revenues	Teaching Hospitals, Medical Centres, Federal etc.	i) All collections from these Agencies into the Consolidated Revenue Fund extra budgetary receipts which are linked to the Account at CBN, which are linked

			ii) Platform will be configured to a on approved budget.
	MDAs not funded th but expected to pay Gross Earning to th	CBN, SEC, CAC, NPA, NCC, FAAN, NCAA, NIMASA, NDIC, NSC etc,	i) All Collection from these Agencies are to be paid into Sub are linked to TSA. Platform will be configured to a ii) Account(s) based on approved b
4.	MDAs that are fund Federation Account	NNPC, FIRS, NCS, M	i) All Federation revenues generate be paid into the Federation Account at CBN. ii) A generated by these agencies are to b FGN Share of Federation Account ar iv) Statutorily approved cost of Col from Federation Account and pa CBN which are lin v) Platform will be configured to a Sub Accounts(s) based on appro
	Agencies funded th (Levies)	NSC, RMRDC, PTDF, NITDA, etc.	i) Sub-Accounts linked to TSA are ii) All IGR collected are to be direct iii) Platform will be configured to a Sub Accounts(s) based on appro
6.	Profit oriented Public Corporations/Bus i	BOI, NEXIM, BOA, Ti	i) Sub-Accounts linked to TSA are Platform will be configured to a Sub Account(s) based on the ap iii) Dividends from these agencies a CRF/TSA.
	Revenue Generated under Public Private Partnership	All Incomes from Production of International Passports, Seaports, Concession Arrange	i) ii) TSA Sub-Accounts are to be mai FG portion of the Collection is to Partners portion of the revenue partners account.

8.	MDAs with Revolving Accounts	Drug Revolving Funds, (Teaching Hospitals, Universities) , Fertilizer Revolving Fund, Roll-Back Malaria, SURE-P, et	i) Project Account (Revolving Fund) CBN. Collection (IGR) from these Agencies ii) CRF/TSA. Platform will be configured to allow a Sub Account(s) based on approved iii)
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- The Bursar shall provide the identity and the signatures of the officers authorised to operate the E-Payment to the Accountant General of the Federation. The Bursar shall advise the Accountant General of the Federation of any subsequent changes in the operation of the Bank Account. Prompt notification shall be given when an officer's authority to operate is cancelled.
- In order for E-Payment transactions, drawn against the account to be valid it shall be operated by Initiator, Reviewer and Approver.

7.2 Operators of E-Payment

□ The following officers shall be the operators of E-Payment for the University Accounts.

Initiator Head of Cash Office
OR
Any other officer appointed by the Bursar

Reviewer Bursar **OR**
Any other senior officers in the Bursary so designated.

Approving Officers Vice-Chancellor
Deputy Vice- Chancellors
Registrar

- For any E-Payment transaction to be valid, an officer from each group must perform an operation on each transaction. □ University Account shall not be overdrawn.
- All monies belonging to the University shall be deposited into TSA through any commercial banks. All monies collected shall be banked intact on the next working day. Before money is banked, it shall be kept in the University Strong Room or safe.
- No personal effects, including private money should be kept in any University Strong Room or safe without the approval of the Bursar.
- All documents and other valuables, except money, which are kept in the safes, shall be recorded in a register to be kept by the Head of Cash Office. The Bursar and the Head of the Internal Audit Unit shall have access to the register and the contents in any safe at all times.
- No Faculty, Department or Unit shall operate separate Bank Account. All monies must be deposited into University Treasury Single Account. All the expenditures from the account shall be processed by the Bursary and vetted by the Internal Audit Unit.

7.3 National Universities Commission (NUC) Foreign Domiciliary Accounts

The University has some foreign accounts, which are part of the University of Lagos funds. They are kept in foreign currencies. The accounts are kept and maintained by the National Universities Commission Offices in London and Washington. Receipts of foreign money shall be domiciled in the appropriate University Account.

7.4 Statements of Cash Flow

Statement of Cash Flow shall be prepared and produced monthly by Head of Cash Office.

CHAPTER EIGHT

EXPENDITURE

8.0 The University expenditure is broadly divided into Recurrent and Capital expenditures.

Recurrent expenditures comprise Salaries and Allowances (i.e Personnel cost), General & Capital (From recurrent) expenditure (i.e Overhead costs).

The Capital expenditures are used in the provision of Buildings, Roads and purchase and installation of capital equipment.

8.1 Salaries and Allowances:

The University shall disburse its Personnel allocation based on the amount appropriated in its budget using the GIFMIS platform.

Salaries shall be paid to members of staff who are on payroll as stipulated by the Federal Government. The Federal Government approved salary template is divided into 4 Categories:

- (i) **Consolidated University Academic Salary Scale (CONUASS) - FOR ACADEMIC MEMBERS OF STAFF** (ii) **Consolidated Tertiary Institution Salary Scale (CONTISS) - FOR NON-ACADEMIC MEMBERS OF STAFF** (iii) **Consolidated Medical Salary Scale (CONMESS) - FOR MEDICAL STAFF** (iv) **Consolidated Health Salary Scale (CONHESS) - FOR OTHER HEALTH WORKERS**

8.2 General and Capital (From Recurrent) Expenditure (Overhead Costs)

These are items of expenditure for goods and services. Such expenditure may be incurred through direct payment, reimbursement, advances and through the issuance of Local Purchase Order (LPO) and Overseas Purchase Order (OPO)

8.3 LPOs and OPOs

Issuance of LPOs and OPOs is decentralised. Each Department is supplied with booklets of LPO and OPO. Since Departments initiate orders, the Departmental Heads can raise LPO and OPO for the items they require in their Departments. Each Dean/Head of Department is expected to have satisfied himself about the cost of each article or service to be ordered by obtaining quotations from the suppliers before raising the LPO and OPO. He shall also ensure that there is sufficient fund for the order and that the order is appropriate to the expenditure head indicated on the LPO or OPO. In a nutshell, Due process as prescribed by the Public Procurement Act 2007 shall be followed.

8.4 Action in the Bursary

All Local Purchase Orders and Overseas Purchase Orders shall be submitted to the Bursary by each Unit of the University for processing. A Control sheet is kept for each item on Faculty/Department Estimate.

When an LPO/OPO is received from the Faculty/ Department, the vote of charge and the estimated cost given on the order are checked with the records on the control sheet for the vote. If the Information on the control sheet shows the balance on the vote is not sufficient to cover the cost of order, the latter is returned to the Dean/Head of Department concerned with a statement about the position of the vote. If there is sufficient fund, the LPO/OPO is processed and signed by the Bursar or his representative.

8.5 Records in the Department

Expenditure Control Unit and Faculty Finance Offices shall maintain vote book on recurrent expenditure for all departments and units within the University. Requests on Recurrent expenditure for departments and faculties are processed at the Faculty Finance Offices of the various faculties which is an extension of the Bursary department.

Requests on Recurrent expenditure for non-teaching units and departments are processed centrally at the Expenditure Control Unit.

Each Head of Department shall keep a record of the estimated cost of LPO/OPO issued in his Department. This estimated cost should be adjusted to actual on the receipt of invoices.

In this way, the Dean/Departmental Head will know at any given time the appropriate amount left on a particular vote. Orders shall be based on agreed quotations, where obtainable from suppliers.

8.6 Periodic Statement of Account

One of the functions of the Expenditure Control Unit and Faculty Finance Offices where records of commitments are kept is to compile statement of balances on departmental votes periodically and send same to all department/unit heads. This is to inform and guide them about the state of their vote balances in order to compare the balances appearing in the statements with departmental/unit records and if there is any discrepancy, necessary reconciliation shall be effected.

8.7 Price Monitoring Unit

There shall be a price-monitoring unit under the Office of the Vice Chancellor whose main functions are to:

- (a) ascertain price situation in the market and keep adequate records for the use of the University.
- (b) ascertain places where various items could be procured and pass such information to the Departments.

8.8 Priority Patronage of the University's Income Generating Units (IGUs).

Council directs that in all procurements of goods and services, priority patronage must be given to the IGUs where such goods and services fall within the object of a relevant IGU.

8.9 University Domestic Budget

The University Domestic Budget is the operational budget of the University through which funds are allocated to various departments/units. It is funded by government appropriation in form of releases and the Internally Generated Revenue.

The Bursar, with the approval of the Vice Chancellor shall lay before Council for approval annually, the University domestic budget.

The preparation of the recurrent Budget shall take the following steps:

- Call Circulars shall be sent out to various Faculties/ Department/Units to provide their inputs.
- There shall be Budget Hearing to be attended by Deans and Heads of Departments.
- The draft Budget considered by the Development Committee shall be presented to the Finance and General Purposes Committee for its recommendation.
- The recommended budget of the Finance & General Purposes Committee shall be recommended to the Governing Council for approval or otherwise.
- Approved Budget shall be distributed to the Faculties/ Departments/Units for implementation.

CHAPTER NINE

IMPRESTS

9.0 Imprest is an advance payment made to an officer for expenditure in which Voucher cannot be immediately presented.

The authority to operate imprest is approved by the Vice Chancellor on the recommendation of the Bursar.

9.1 Classes of Imprests:

Imprests are of two classes:

- (a) Standing Imprests which may be replenished from time to time during a financial year by the submission of paid vouchers.
- (b) Special Imprests which are granted for a particular purpose and must be retired in full when the purpose has been achieved

On no account shall personal advance be used in disguise of Special Imprest, in the procurement of stores which is governed by the Financial Regulations Act.

9.2 Procedures for Payment of Imprest: The procedures for Imprests are as follows:

- (a) Every Imprest holder shall keep a petty cash book and shall record therein all expenditures.
- (b) All Imprest payments shall be supported by petty cash vouchers in the prescribed forms which shall be correctly raised, approved and duly receipted when payments are made.
- (c) Petty cash Vouchers shall carry the vote of Charge and the Imprest holder will retain a copy of each voucher.
- (d) The cash book shall be balanced regularly, ruled off, and the cash on hand regularly checked by a senior officer, who shall certify the cash book accordingly.
- (e) Imprest cash shall be kept separately from other monies at all times.
- (f) The imprest holder shall be a senior member of staff and must be conversant with simple book-keeping procedures for posting and balancing the Petty Cash Book.

9.3 Reimbursement of Imprests

To obtain reimbursement of amounts paid from an imprest, the holder shall submit the properly completed and receipted payment vouchers for the amount expended to the Bursar who issued the imprest. The vouchers shall be classified directly to the votes of charge concerned and not "imprest".

9.5 Retirement of Imprests

All standing imprest shall be retired on or before 31st December of the financial year in which they are issued. While Special Imprest shall be retired immediately, the purpose for which they were granted ceases to exist. Retirement shall be effected by the production of vouchers and /or cash for the full amount of Imprest.

Any personnel who fails to respond to a query issued to him within 21 days for non-retirement of imprests shall be surcharged and the total amount involved recovered.

Imprest holders shall ensure that all Imprests are retired in accordance with the Financial Regulations. Suitable arrangements shall be made to ensure that all vouchers submitted for reimbursement are passed before the end of the financial year.

However, if in special circumstances completed vouchers cannot be submitted in time, the Imprest Holder shall pay his cash balance to the Bursar on or before 31st December of the financial year and shall forward the vouchers when completed to the Bursar who shall include them by journal entry in that year's accounts.

Should repayment not be made in full, any shortage shall be charged to an advance account in the name of the Imprest Holder who shall be personally responsible for a refund.

9.5 Uses of Imprest

- (a) Newspapers and Magazine
- (b) Postages
- (c) Local transportation
- (d) Photocopying of Office documents
- (e) Fueling of Official vehicles
- (f) Office entertainment and Hospitality
- (g) Cleaning materials
- (h) Purchase of Office stationery

Note: Any of these shall not be above ₦5, 000.00

Imprest shall **not** be used for the following:

- (a) Acquisition of fixed Assets.
- (b) General servicing of motor vehicle.
- (c) Purchasing of motor vehicle tyres and tubes (excluding vulcanizing of tyres).
- (d) Purchase of stationery of significant value.
- (e) Purchase and/or maintenance of air conditioner, office equipment, plant & machinery.
- (f) Payment of wages of casual employees.
- (g) Statutory claims and allowances such as travelling allowance, subsistence allowance and hotel bookings.

- (h) Responsibility that normally or regularly belongs to another department or unit e.g. medical expenses.
- (i) Payment of personal expenses.

9.6 I owe you (I.O.U)

Payment of 'I owe you" (I.O.U) is not allowed. In addition, a personal cheque in exchange for cash is not allowed.

CHAPTER TEN

STAFF MATTERS

10.0 Salaries and Allowances

Salary is the personal emolument paid to an employee of an organisation, usually monthly for services rendered at a predetermined rate of pay. All personnel in the employment of the University of Lagos are eligible for the payment of salaries.

In processing salaries and allowances of every personnel, the following, shall apply:

- All personnel shall have their salaries and allowances paid through named banks on completion of Salary preparation.
- Salaries and allowances which are based on an annual rate shall be paid by monthly instalments of one-twelfth of the annual rate. On retirement or termination of appointment, payment for part of a month shall be calculated on pro-rata basis.

The approved salary template shall be approved by government from time to time.

10.1 Condition for Vacancy

Before any appointment is made, there shall be confirmation from the Bursar, Registrar and Director of Academic Planning Unit that vacancies exist to which such appointments could be made. It is on the basis of this information that recommendation will be made to the Vice Chancellor.

10.2 Placement on Payroll

Before personnel could be placed on payroll, the following shall apply to the new employee

- Collection of Letter of Appointment.
- Acceptance Letter.
- Collection of Assumption of duty (Slip)
- Signing of the Vice Chancellor's Register for senior staff and the Registrar's for junior staff.

10.3 Absence from Duty

Where a Head of Department knows and fails to inform the authorities of the absence of any staff, the Head shall be held accountable.

10.4 Promotions, Retirements, Dismissal and Death The Bursar shall promptly be informed by the Registrar of any variation or contingency likely to affect officers' salary such as death, resignation, interdiction, suspension and dismissal, in order that instructions to withhold pay may be issued without delay.

□ An officer who first receives information about the resignation, termination, dismissal, death, withdrawal or retirement, of another officer shall pass the information

promptly by submitting a copy of such letter/notice to the Bursar for the salary of that personnel to be stopped. The original letter/notice of such information shall be endorsed to the effect that a copy has been sent to the Bursar.

10.5 Payment of Staff on Sabbatical/Training/Study Leave Personnel on Sabbatical leave shall still be active on the University payroll for the period such leave last.

For personnel on training or study leave with pay, they shall still be on payroll until the expiration of the period or leave while those without pay shall be made inactive (dormant) on payroll.

10.6 Staff Audit

For effective and efficient payment of salaries and allowances, there shall be periodic staff audit to determine the actual existing staff on the payroll.

All Heads of faculty/department/Unit shall be required to make periodic returns to the Bursar and the Head of Internal Audit

Unit, giving names of members of staff under the department as at the relevant period to which the return is related. The completion of the form is mandatory in order to determine the actual number of staff on the payroll.

- On cessation of appointment arising from termination, or resignation, the salary of the officer shall be payable up to and including the day of cessation. (This shall be without prejudice to the provisions of Public Service Rules or any extant law).
- Any balance of salary or other moneys due to any personnel who has been convicted for misappropriation of University funds or theft of University property, or who has been dismissed without liquidating any indebtedness to University, shall not be paid without the authority of the Vice Chancellor.

10.7 Rebate for Correspondence Course and Evening Classes

Rebate for correspondence courses and evening classes may be approved by the Vice Chancellor subject to the following conditions:

- The course must be related to his work.
- The study is likely to increase efficiency.
- The course must be completed within the University.
- The officer shall produce receipts to show that the amount has been fully used for the purpose.
- The cumulative CGPA must not be less than the one set by the University for that purpose.
- The successful completion of the course does not guarantee an automatic elevation.

10.8 Staff Advances and Loans There are two classes of Advances:

- (i) Personal Advances
- (ii) Non-Personal Advances

10.9 Personal advances which may be classified as loans to individual officers in the employment of the University. It may be granted on the authority of the Federal Government Financial Regulations and at the discretion of the University where such is in consonance with the aforementioned regulations e.g Salary Advances.

10.10 Non –Personal Advances are those advances granted to an Officer in his official capacity e.g. Imprests (standing and special) and advances granted as a result of loss of funds.

Advances of Non-Personal character shall be authorized by authority of Financial Regulation and the Act that created the University.

The Applicant must state the reason and the method of clearance and the person to be held responsible.

10.11 Advances (for Supplies to be made/Urgent Project Execution)

In order to ensure that monies paid to a supplier in advance of delivery of goods is accounted for, the following shall apply:

- (a) The monies paid are treated as an advance against a particular member of staff who shall be made responsible to account for the amount granted.
- (b) The member of staff concerned shall be made to sign an undertaking (commitment form) to the effect that he would account for the advance at a particular time or on delivery of the items ordered.
- (c) Failure to account for the advance on due date shall lead to deduction from the salary of the member of staff concerned as stated in the undertaking (commitment paper) signed at the time the advance was granted.
- (d) Junior members of staff are not allowed to apply for Advances.

10.12 Salary Advance

The provision of the Federal Government Financial Regulations is to the effect that an officer who is on first appointment or any other staff may, on application to the Registrar receive an advance not exceeding three months' salary. This must be repaid in not more than twelve equal and consecutive monthly installments commencing from the month following that in which the advance was drawn.

No advance shall be granted which will result in a total deduction of more than one third of an officer's monthly salary.

The outstanding balance of a salary advance in respect of a deceased who is not entitled to gratuity is not recoverable from his estate.

10.13 Training Advances/Duty Tour

Training and Duty Tour allowances or advances are given to staff that are travelling to cover lodging and feeding expenses in accordance with the public service rules and as may be approved by Council from time to time.

Though these are considered as grant but where it concerns training, the fees collected for such training must be accounted for in the way of clearance. This is to ensure that such conference is attended and actually paid for.

10.14 Retirement of Advance

Any personnel who fails to respond to a query issued to him within 21 days for non-retirement of advances shall be surcharged and the total amount involved recovered from salary.

10.15 Home Ownership Loan

This is classified into two:

- (a) Land Loan
- (b) Housing Loan

These loans are granted only to members of staff with confirmed appointment on terms determined by the Staff Welfare Board.

10.16 Rent Upfront

Where it is necessary, an employee may be paid his/her rent allowance of six months in advance. Deductions shall spread over 6 months immediately following the month the advance was taken.

10.17 Payment of Staff on Training/Study/Sabbatical Leave The conditions under which the salaries and allowances of members of staff on Training/Sabbatical Leave are paid are as follows:

- (i) Approval of the leave by the appropriate Committee of the University and notification of the approval by the Registry to the Bursary.
- (ii) Fulfillment by a member of staff of the conditions attached to the granting of the leave and receipt in the Bursary of the information that these conditions have been compiled with.
These conditions are bonds or undertakings as the case may be.
- (iii) Tuition and other fees are paid only on receipt of appropriate bills from Institution concerned. Where payment has to be made in foreign currency financial regulation for forex shall apply. Bills should, however, be sent to the Bursary well in advance by the Institutions where the members of staff study leave is tenable.

CHAPTER ELEVEN

STORE ACCOUNTING

11.0 The Federal Government Financial Regulation defines store as and including movable property purchased from public funds or otherwise acquired by government.

For accounting purposes, it further classified store into two classes:

- Allocated Store
 - Unallocated Store
- **Allocated Store** - This refers to store items whose purchase costs are charged directly to the subhead of expenditure as provided for in the University Estimate;
- **Unallocated Store** – This refers to store items purchased for general stock whose vote of charge cannot be determined initially but are later charged to the appropriate vote when requisitions are made and collected.

11.1 The following are the stores within the University.

- (a) Main Central Store.
- (b) Sports Centre Store.
- (c) Distance Learning Institute Store.
- (d) Medical Centre store.
- (e) In order to ensure that the stores records are properly kept, the following shall apply: □ All storekeepers are staff of the Bursary.
 - A personnel shall be responsible for the general supervision and control of all stores.
 - All requisitions for any store item must be approved by an officer who has authority to incur expenditure.

Appropriate store records that must be maintained in the stores include:

- (a) Store issued voucher (SIV).
- (b) Goods received Note (GRN)/Stores Requisition Note (SRN) (c) Bin cards for every item of stock in each store.
- (d) Store Ledger
- (e) An Accounting system shall be put in place to centrally control store keeping and allowing for early detection and prevention of errors and fraud. The Bursar shall ensure that there is a stock Count at which both the external and internal Auditors witness.

CHAPTER TWELVE

FINANCIAL RELATIONSHIP WITH STUDENTS

12.0 Undergraduate Students

Service charges which are considered obligatory shall be payable in full at the beginning of the First Semester and are nonrefundable.

Service charges for laboratory services shall be payable only by the following categories of students:

- All Science Students
- All Science Education Students
- All Engineering Students
- All Language Students (Faculties of Arts & Education)
- All Mass Communication Students and other category of students as may be determined by Council from time to time.

12.1 Postgraduate Students

Tuition and service charges are payable in full at the beginning of the academic session. However, the latter (service charges) are not refundable.

All Postgraduate Students are to register and make full payments of Tuition and service charges for those sessions not in school.

12.2 Graduate Fellows

Graduate Fellows are engaged on contract appointment renewable at the discretion of the department subject to the Vice Chancellor's approval. They are Ph.D students of the University in various departments.

□ Graduate Fellows are to be given a rebate of 50% on the appropriate Tuition Fees but service charges must be paid in full.

12.3 Graduate Assistants

These are members of staff whose confirmation of appointment is subject to the completion of their Ph.D. programme.

They are exempted from payment of Tuition Fees but service charges must be paid in full.

12.4 Instalmental Payments

- No undergraduate student is allowed to make instalmental payment of service charges. All fees must be paid in full.
- No instalmental payment of fees by Full Time Postgraduate Students.

- Any Part-Time Postgraduate student who is unable to pay fully shall apply on-line and get approval for instalmental payment. If approval is granted , such instalments shall not be paid more than twice as follows;
- 1st Instalment, full Obligatory fee with 50% Tuition Fee plus 5% surcharge.
- 2nd and final Instalment, 50% Tuition Fee, which must be paid before 2nd Semester registration.

12.5 Postgraduate Students with Reference in their Programmes

Where a student has reference(s):

- In not more than 6 units for full-time academic programme or not more than 9 units for the part time and professional masters programme, he/she shall pay 50% of Tuition Fees and service charge in full.
- In more than 6 units for full-time academic programme or more than 9 units for the part-time and professional masters programme, he/she shall pay fully, both the Tuition fee and service charges.

12.6 Printing of Fees Receipts

Receipts of fees paid shall be printed on-line.

12.7 Final Clearance

At the end of the degree Programme, undergraduate students shall obtain forms for clearance at the faculty, while the postgraduate students shall collect such forms from the postgraduate school.

The form shall be endorsed at the Bursary for clearance if such student is not indebted to the University.

12.8 Remedial Courses

Payment of tuition and service charges for remedial courses by Graduates of Foreign University:

- Non-Nigerian citizen: pays as foreign students for both Tuition and service charges.
- Nigerian citizen: pays only service charges as Nigerian Student.

12.9 Payments to Students

Payments are made to students in respect of the following:

- a. Endowment Funds which are paid to Scholars, Indigents, Sportsmen and Women, and students with Outstanding Leadership qualities.
- b. Scholarships from Corporate Bodies.
- c. Convocation Prizes.
- d. All refunds/reimbursements.

- e. Bursary Award.
- f. Work Study Programme.
- g. Sponsorship Bills on request.

12.10 Prizes are awarded to outstanding students, for their performances during yearly convocation ceremonies. The Scholarship component of the Endowment fund is for the brilliant and outstanding students, indigent students and students with outstanding leadership qualities.

CHAPTER THIRTEEN

ENDOWMENT FUND

13.0 Endowment Fund represents money or other financial assets that are donated to the University for specific purposes.

The fund is principally sourced through contributions from individuals, (including staff and students), entities having contractual obligation with the University, Alumni, Corporate bodies, religious organisations, estates, professorial groups, etc.

□ **Contribution from Staff and Students**

Members of Staff of the University voluntarily contribute towards the Endowment Fund from their monthly salaries.

The service charge in Students Fees has a flat rate of Endowment Fund embedded in it. This forms part of each student's contribution towards the fund.

□ **University Vendors**

Council directs that each entity having contractual obligation with the University is charged 2% flat rate on all transactions. This forms their contribution towards the University Endowment Fund.

□ **Alumni**

The Alumni makes their contribution to the Endowment Fund through cash donations to outstanding students during yearly convocation ceremonies or through other means.

□ **Corporate Bodies, Individuals, Religious and Professional Groups**

They contribute to the fund by instituting prizes, scholarships, professorial chairs in a particular field of study and annual lectures to the University.

Application of Endowment Fund: Endowment fund may be applied for:

- Professorial chairs
- Prizes/Scholarship awards
- Annual Lectures
- Acquisition of asset or as may be directed by the Endowment Conditions.

Interest on Endowment

The interest generated on Endowment is used to run the Funds towards realising the objectives of the donor and no part of the funds either the principal or interest can be spent for any purpose other than the mandate given by the donor. Thus, the funds are in the custody of the University in order to fulfill the Objectives of the various donors.

13.1 Endowment for the Professorial Chair takes two different forms.

(i) Professorial Chair funded in perpetuity (ii) Professorial Chair funded for tenure.

(i) Professorial Chair funded in perpetuity

The fund will take care of all expenditures required to maintain the Chair without recourse to the University for funding. The Interest paid on the principal sum endowed is used to fund the Chair. The prevailing interest rate will therefore affect the yield.

(ii) Professorial Chair funded for a tenure

Professorial Chair funded for a tenure is an endowment that is not in perpetuity but has a time limit in years. The funding required will be cost of maintaining the Chair for the expected tenure.

The fund is for the development of research and knowledge in a specialised field of study, within a particular faculty in the University.

These funds are principally sourced through donations from individuals, (Including staff and students), University Alumni, Corporate Bodies and Government.

13.2 Board of Trustees shall be appointed to administer the Endowment fund in accordance with the objective of the Trust Deed. The rights and duties of the Board are usually spelt out in the Trust Deeds.

Where an Endowed Professorial Chair is to be established, the Board of Trustees would require the University to furnish information on the expenses for maintaining the Chair. These

expenses are usually;

- Salaries & allowances of Chair Occupant
- Salaries & Allowances of Support Staff
- Furnished & Fully Equipped Office
- Functional Car
- Stationeries & other Office materials
- Annual Lecture
- Teaching & Research Support
- Travelling expenses
- Cost of Incorporating Trust Deed
- Other Miscellaneous Expenses e.g. Advert in National Dailies

In administering endowment fund, it is essential that any grant from external sources shall be paid to the University directly and not to a particular department or member of staff even where the purpose may be for research to be conducted by a particular department or member of staff.

Hence, all requests for the use of the endowed fund shall be channeled through the Vice Chancellor and income from the fund shall be spent in accordance with the financial regulations of the University, unless the mode of spending is specifically spelt out in the Trust Deed.

CHAPTER FOURTEEN

AUXILIARY UNITS

14.0 These are the Units that serve as sources of auxiliary receipts for the University. They generate different types of receipts as it relates to their services. These Units can be broadly divided into:

- Self-Accounting Units
- Non-Self Accounting Units

14.1 A Self-Accounting Unit is a unit that is saddled with the responsibility for the maintenance of detailed records of its receipts and expenditures, assets and liabilities.

The following are the Self Accounting Units: (i) The Distance Learning Institute
(ii) Human Resources Development Centre

Each of the Self-Accounting Units operates as an independent unit within the University and the University financial regulations shall apply to their operations.

14.2 A Non-Self Accounting Unit is an IGU not carrying out its financial operations as described under Self-Accounting Unit above.

The following are the Non -Self Accounting Units

- Unilag Property Development, Management & Investment Unit
- Institute of Continuing Education

14.3 Relationship of Auxiliary Units with the University

- All the Departments/Units of University shall give priority patronage to the auxiliary Units for the supply of goods and services provided by them. The University shall promptly settle all their bills after supplies of such goods and services.
- The University may assist the auxiliary Units financially in the form of seed money and working capital loans at reasonable interest rate as may be necessary from time to time.
- The auxiliary Units shall be required to contribute to the revenue of the University from their income as may be approved by Council.
- The sharing formula of earnings/surplus of auxiliary Units shall be determined by Council from time to time.
- The University controls the auxiliary Units finances through their Annual Budget with the exception of few.

14.4 Unilag Consult Limited

- i. Unilag Consult Limited is 100% owned by the University.
- ii. Unilag Consult Limited shall give dividend/ contribution to University only, as return on investment. The directors representing the interest of the University shall not be entitled to any dividend.

14.5 UNIHOLD Limited

- i. UNIHOLD Limited is 100% owned by the University.
- ii. UNIHOLD Limited shall give dividend/contribution to University only as return on investment. The directors representing the interest of the University shall not be entitled to any dividend

14.6 Unilag Property Company Limited

Unilag Property Company Limited shall give dividend/ contribution to University only as return on investment. The directors representing the interest of the University shall not be entitled to any dividend.

PROCUREMENT PROCEDURE

15.0 The procurement procedure for the University of Lagos involves:

Supply of Goods, Works and Provision of Services

The contract award for the procurement of goods, works and services for the University of Lagos shall be conducted by open competitive bidding, where every interested bidder is given equal simultaneous information and opportunity to offer the goods and works needed.

The process shall follow due process as provided for under the Public Procurement Act, 2007. The due process is aimed at achieving value for money and fitness for purpose. □ The principal hallmark of the University's procurement of Goods, Works and Services shall be Economy, Effectiveness, Efficiency, Fairness, Reliability, Transparency, Accountability and Ethical Standards.

15.1 Procurement Policies:

(a) Procurement Policies of the University as a Public Entity are as follows:

- (i) To ensure that Goods, Works and Services needed are procured with due attention to economy and efficiency.
- (ii) To ensure that public fund is used to procure only those Goods, Works and Services needed for University purposes.
- (iii) To give all qualified bidders an equal opportunity to compete for all procurements.
- (iv) To encourage development of local contractors and manufacturers including the University's IGUs. Priority patronage shall be given to the University IGUs in propriety cases.
- (v) To ensure that the procurement process is transparent.

(b) Conduct of Procurement All procurement in the University shall be conducted:

- (a) Based on the Procurement plans supported by prior budgetary appropriations or legally accessible internally generated revenue. Proceedings shall not be formalised until the University of Lagos has ensured that funds are available to meet the obligations and has obtained a "Certificate of No Objection" to contract Award from the Bureau where applicable.
- (b) By Open Competitive bidding, except as otherwise exempted.
- (c) In a manner which is transparent, timely, and equitable for ensuring accountability and conformity with the Public Procurement Act, 2007.

- (d) With the aim of achieving value for money and fitness for purpose.
- (e) In a manner which promotes competition, economy and efficiency and in accordance with the laid down procedures and timelines.
- (f) That all procurements must be done through open competitive bidding except in special or restricted cases as provided for in Sections 39 -43 of Public Procurement Act, 2007

15.2 Approval Thresholds

For contract award within the University of Lagos, all necessary approvals shall be obtained based on thresholds set by the Bureau of Public Procurement (BPP) or Secretary to the Government of the Federation (SGF) Circular Ref. No SGF/OP/I/S.3/XI/849 dated 14th January, 2016. Approval Threshold is as shown in Table 15.3.1

Table 15.2.1: Approval Thresholds for Service Wide - Application

Approving Authority/'No C	Goods(₦)	Works (₦)	Non-Consultant/Consultant Services (₦)
BPP issues "No C approves	₦100 million and	₦500 Million and abo	₦100 million and
Ministerial Tenders Board	₦5 million and ab million	₦10 million and abov million	₦5 million and ab million
Parastatal Tenders Board	₦2.5Million and a million.	₦5 million and above million.	₦2.5Million and a million.
Accounting Officer: Vice Cha	Less than ₦5Milli	Less than ₦10 Million	Less than ₦5Milli

Source: Circular Ref No. Ref. No. SGF/OP/I/S.3/XI/849 dated 14th January, 2016

The Financial Policy of the University allows Provost, Deans, Directors, Heads of Departments/Units to approve procurement of projects based on set approval limits as approved by Council and as set below:

Table 15.2.2: Approval Limits of Officers of the University

S/N	Approving Authority	Approval Limit
1.	Vice-Chancellor	Less than ₦2,500,000.00
2.	Other Principal Officers	₦250,000.00
3.	Chairmen of Specified Boards (CITS, Unilag Consult, HRDC, Medical Centre, DLI	₦500,000.00
4.	Chairmen of other Management Boards	₦250,000.00
5.	Deans & Directors	₦250,000.00
6.	Directors of Boards/Centres/ Department/Specified Directorates	₦250,000.00
7.	Heads of Department	₦150,000.00
8.	Heads of Unit under Department	₦100,000.00

Source: The Manual of Operations in the (Bursary) Finance, July 2015

*This is the delegated authority of the Vice Chancellor

15.3 Eligibility Criteria of Bidders

Criteria for Pre-Qualification of Bidders expected from University contractors and service providers as stated in the Public Procurement Act, 2007 and which shall be complied with are as follows:

All bidders in addition to requirements contained in any solicitation documents shall possess the necessary:

- i. Professional and technical qualifications to carry out particular procurements;
- ii. financial capability;
- iii. equipment and other relevant infrastructure; iv. shall have adequate personnel to perform the obligations of the procurement contracts;
- v. possess the legal capacity to enter into the procurement contract by providing Certificate of Incorporation/

- Registration issued by the Corporate Affairs Commission; vi. not be in receivership, the subject of any form of insolvency or bankruptcy proceedings or the subject of any form of winding up petition or proceedings;
- vii. have fulfilled all its obligations to pay taxes, pensions and social security contributions by providing current Tax Clearance Certificate, Pension Clearance Certificate, Industrial Training Fund Certificate, evidence of contribution to Nigeria Social Insurance Trust Fund (NSITF);
 - viii. not have any director who has been convicted in any country for any criminal offence relating to fraud or financial impropriety or criminal misrepresentation or falsification of facts relating to any matter;
 - ix. accompany every bid with an affidavit disclosing whether or not any officer of the relevant committees of the procurement entity or Bureau is a former or present director, shareholder or has any pecuniary interest in the bidder and confirm that all information presented in its bid are true and correct in all particulars.

15.4 Procurement of Less than ₦2.5million

Goods, Works or Services within this threshold shall be initiated by the Dean/Head of Department/Units.

Comparable quotations shall be obtained from at least three (3) unrelated contractors or suppliers.

The quotations shall be evaluated and award is made to the qualified contractor or supplier with the lowest evaluated responsive quotation with the Vice Chancellor's approval.

The approval shall be within the threshold of the relevant financial authority.

- In exercising this procurement, the processing of contract document for Vice Chancellor's approval shall be supported with input of departmental procurement/ finance Committee.

15.5 Principles of Request for Quotation Section 41 of the Public Procurement Act, 2007 (PPA, 2007)

makes provision for Request for Quotation Circular with Ref. No. SGF/OP/I/S.3/VIII/57 dated 11th March, 2009 and issued by the Secretary to the Government of Federation lays down the monetary threshold for adopting this method which is procurement of goods, works and non-consultant services that is less than ₦2.5 million. The Vice-Chancellor is the approving authority for such procurements in the University of Lagos.

The request for quotation process flow diagram is as shown in

Fig. 15.5.1



Fig. 15.5.1

15.6 Eligibility Criteria

As a precondition for participation in this process, all bidders are required to comply with **Section 16(6) (a-f) of the Public Procurement Act, 2007** as well as the **Memo of the Registrar dated February 29, 2016** directing all contractors/suppliers to submit mandatory documents which shall determine their eligibility to participate in the procurement process.

The documents include Evidence of:

- Professional and technical qualification to carry out particular procurement;
- Certificate of Incorporation/Registration with the Corporate Affairs Commission whichever is applicable;
- Current Tax Clearance Certificate/Personal Income Tax whichever is applicable;
- Current Pension Clearance Certificate issued by the National Pension Commission;
- Current Industrial Training Fund (ITF) Certificate in compliance with Section 6 of the Industrial Training Fund Amendment Act, 2011.
- Equipment to carry out the project.
- Sworn affidavit disclosing among others that all information presented in the bid are true and correct.

15.7 Quotation Documents

The Quotation shall contain the following documents:

(A) Written Request for Quotation Letter, signed and dated; (B) Price Schedule and Quantities, dated and signed; (C) Draft Form of Contract Completed, dated and signed. **(A1) Sample of Written Request for Quotation Letter**

Request for Quotation

[Letter Head of the University/Requesting Unit]

Subject: Request for Quotations for (*name the goods*)

Ref.: (Project Name, if applicable, or other Reference)

To: Name and Address of Short Listed Supplier

The [*name of the Requesting Unit*] is seeking bids for the supply of [*name the goods to be procured*].

For this purpose, you will find enclosed a schedule for the goods to be supplied. You are requested to complete this schedule providing us your best offer and return this to us not later thanat hours, in a sealed envelope at the address indicated above, indicating on the envelope "National Shopping for [*name supplies*]". The outer envelope shall contain two sealed envelopes with the requested quotations, one marked "original" and one marked "copy". The opening date of Quotations will be:

.....200... athours at the following address:

The price of your quotation shall clearly indicate the total price, and the time and place of delivery of the goods. The goods shall be supplied and installed at the place of delivery [*name time, for example, within two weeks*] from the date of contract signing. Your quotation shall remain valid for 60 days and the supplies shall be accompanied by most favourable warranties available. Your quotation shall include the signed Form of Contract, which will become the contract in case your quotation is retained.

Please attach copies of your Certificate of Incorporation/ Registration, Current Tax Clearance Certificate/Personal Income Tax, Evidence of compliance with the Pension Reform Act, 2014 and Evidence of compliance with the Industrial Training Fund (ITF) Amendment Act, 2011.

Clarifications can be asked beforehours200... at

[*Name Requesting Unit*]

Tel:

Address:

Attn:

Yours faithfully,

(A2) Sample of Quotation Letter from the Bidder

(To be filled by Supplier)

Date:

Request for Quotations No: (fill in name of requested supplies)

To: (*fill in name of Requesting Unit*)

Attn: (*name of responsible officer*)

Address:

Having examined the documents regarding the Request for Quotations, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply and deliver the (*name the goods*) in conformity with the said Request for Quotations for the sum of [*total bid amount in words and figures*] or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of the Quotation.

We undertake, if our Quotation is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

We agree to abide by this Quotation for the period specified in the Request for Quotations as of the date of the opening of the Quotations and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Quotation, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We understand that you are not bound to accept the lowest or any bid you may receive.
Dated this _____ day of _____ 20____.

[signature] [in the capacity of]

Duly authorised to sign this Quotation for and on behalf of ____

(B) Sample of Price Schedule and Quantities

To: (Name of Requesting Unit)

Attn: (Name of responsible officer)

Address:....

Quotation No \of200

Date of Price Quotation __/__/__

(Text of description below is given as an example and should be replaced by specifics of the requested goods)

(Description and Quantities to be completed by the Requesting Unit, Unit Price to be completed by the Supplier, desired delivery period and site to be completed by the Requesting Unit)

No.	Detailed Des of Items	Quantities	Unit Price	Total Price	Delivery Period	Site

(in figures and letters)

- | | | |
|----|--|---------------------------|
| 1. | Conference table, Dark-Brown, oval,
rectangle or round with Conference | 1 conf. table
8 chairs |
| 2. | Executive desk, Dark-Brown 2.4 m
desk with mobile pedestal and computer workstation | 1 |
| 3. | Executive desk, Dark-Brown 2.0 m
desk with mobile pedestal and computer workstation | 5 |
| 4. | Executive chair – Dark-Brown | 5 |

(The Requesting Unit prepares the list of goods to be acquired, completes the first three columns and the supplier completes the remaining columns. The Requesting Unit shall describe each item with precision, without reference to specific makes or brands. Indicate also the list of spare parts and accessories. The supplier is free to complete the form by hand or to reproduce the form on computer, as long as the format is maintained).

Schedule of Requirements Detailed Technical Specifications of Goods – To be completed solely by the Requesting Unit

S/N 1. 2. 3. 6.	Detailed Description	Quantity	Delivery Period	Site

Signature of Bidder.....

Note: In case of discrepancy between unit price and total, the unit price shall prevail.

(C) Sample Draft Form of Contract

This Agreement made this ____ day of _____ 200.. between (University of Lagos(hereinafter called “the Purchaser”) and [*name of Supplier*] of [*city and country of Supplier*] (hereinafter called “the Supplier”) :

Whereas the Purchaser invited quotations for the supply of certain goods [and ancillary services], (*name the goods, and ancillary services, if applicable*), and has accepted a quotation by the Supplier for the supply of those goods and services in the sum of [*contract price in words and figures*] (hereinafter called “the Contract Price”).

Now this agreement witness as follows:

1. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.: (a) The Request for Quotations sent to the Supplier;
(b) The Price Schedule submitted by the Supplier [*and the delivery period*] ; and
(c) Schedule of Requirements (technical specifications).

In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the goods and services and to remedy defects therein in conformity with the provisions of the Contract.

The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the contract: [*methods of payment: by bank transfer within 45 days on satisfactory installation and provision of warranties – subject to contract*].

In witness whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed, sealed, delivered by the..... (*for the Purchaser*)

Signed, sealed, delivered by the (*for the Supplier*)

*** Please note that these are sample documents that need to be adapted to different transactions.**

Implementation

Quotation

- The supplier shall detail in the Quotation Letter the place of delivery and the nature of the price: taxes and duties listed separately. The supplier completes the price schedule and quantities furnished with the Request for Quotations, indicating the characteristics of the supplies in the required space, the unit, the total price for each item and the proposed delivery time to carry out the contract.
- The supplier completes and signs the draft Form of Contract. The prices are to be quoted in Naira.

Validity of the Quotations

- The quotations shall be valid for the period stipulated in the Request for Quotations. It is the responsibility of the University (College, Institutes, Schools, Faculties, Departments, Units, e.t.c. hereinafter referred to as the “**Requesting Unit**”) to indicate the validity period to be adopted by the supplier. Failure of the supplier to abide by the provision shall be subject to disqualification.

Requesting Unit shall:

- Develop the price schedule and required quantity of goods.
- Develop the form of contract.
- Issue letter of Request for Quotation indicating the eligibility criteria, place of collection, deadline and place of submission and opening stating clearly the timelines.
- Collect the Quotations submitted before the stated deadline.
- Open the Quotations submitted.

Submission of Quotations**Sealing and Marking of Quotations**

- The suppliers shall place the original and one copy of their quotation in a sealed outer envelope containing two sealed envelopes, one marked “original” and one marked “copy”, as follows:
 - (a) addressed to the Requesting Unit as indicated in the Request for Quotations; and
 - (b) bearing the Project name, the title and number of the goods as indicated in the Request for Quotations.

Closing Date for the Submission of Quotations

- Quotations must be received by the Requesting Unit at the given address at the latest time and date specified in the Request for Quotations. Any quotation received by the Requesting Unit after the deadline for the submission date shall be returned unopened to the supplier.

Opening and Evaluation of Quotations A. Opening of Quotations by the Requesting Unit

- The Requesting Unit shall open all quotations received immediately following the deadline indicated in the Request for Quotations at the same time on the date specified in the Request for Quotations. The Requesting Unit shall prepare Minutes of the opening of the quotations.

B. Evaluation and Comparison of Quotations

- The Requesting Unit shall evaluate and compare the Quotations as follows:
- Examine if the quotation conforms to technical specifications and the delivery time;
- Verify any arithmetical errors. For example, if the quotation in figures is different from the quotation in words, the amount in words shall prevail. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected;
- Tabulate the Quotations thus arrived at.

- In line with University policy, the generated Report of the Request for Quotation will be forwarded to the appropriate Approving Authority for further directions as indicated in Table 15.2.

15.8 Procurement of ₦2.5million and above for Goods & Works and Services

The Procurement Planning Committee (PPC) of the University shall prepare a detailed needs assessment, identifying goods, works and services required by the University. The Procurement Unit set up by the University for the purpose of implementing all procurement plans executes the following:

- Advertises and solicits for bids in compliance with guidelines issued by the Public Procurement Bureau from time to time.
- Receives and maintains appropriate documentation for bids received, examine bids received and make submissions to the University Tenders Board for approval of the procurements that fall within University's Tenders Board
- Obtain a 'Certificate of No Objection' for contract award with threshold beyond the Ministerial Tenders Board approving capacity from the Bureau of Public Procurement.
- Debrief the bid losers on request.
- Resolve complaints and disputes, if any.
- Obtain and confirm the validity of any Performance Guarantee.
- Announce and publicise Contract awards.
- Execute all contract Agreements.

15.9 Procurement of Goods, Works and Services of Value Less Than ₦250,000 The procurement method that may be adopted in respect of such procurements is referred to as Direct Contracting or Single Source:

The requesting Department/Unit may invite a proposal or price quotation from a single supplier or contractor who has satisfied the eligibility criteria.

Where this is done, the requesting Department/Unit shall include in the record of proceedings a statement of the grounds for its decision and the circumstances in justification of this method of procurement. This is referred to as Direct Contracting or Single Source as clearly stated in the Secretary of the Government of the Federation Circular. **Ref. No.**

SGF/OP/I/S.3/VIII/57 dated 11th March, 2009 as shown in Table 15.9.1

Table 15.9.1: Procurement Method and Thresholds of Application

Procurement Method	Goods	Works	Nonconsultant	Consultant Services
Single Source/Direct Contracting (Minor value Procurement)	Less than ₦0.25million	Less than ₦0.25million	Less than ₦0.25million	Less than ₦0.25million

Source: SGF Circular Ref. No. SGF/OP/I/S.3/VIII/57 dated 11th March, 2009

15.10 Code of Conduct for Tendering and Procurement for the University

In compliance with Section 57 (2) of the Public Procurement Act, 2007 The conduct of all persons involved with procurement processes of the University shall at all times be governed by principles of honesty, accountability, transparency, fairness and equity.

15.11 Principle of Responsibility and Accountability The Vice-Chancellor and any Officer to whom responsibility is delegated shall bear responsibility and accountability for any actions taken or omitted to be taken either in compliance with or in the contravention of the Public Procurement Act, 2007. *(Section 16, Sub-section 21 of the Public Procurement Act, 2007.)*

15.12 Offences Relating To Public Procurement The following shall constitute an offence:

- Entering or attempting to enter into collusive agreement, whether enforceable or not, with a supplier, contractor or consultant where the prices quoted in their respective tenders, proposals or quotations are or would be higher than would have been the case had there not been collusion between the persons concerned;
- Conducting or attempting to conduct procurement fraud by means of fraudulent and corrupt acts, unlawful influence, undue interest, favour, agreement, bribery or corruption;
- Directly or indirectly attempting to influence in any manner the procurement process to obtain an unfair advantage in the award of a procurement contract;
- Splitting of tenders to enable the evasion of monetary thresholds set;
- Bid-rigging;
- Altering any procurement documents with intent to influence the outcome of a tender proceeding;
- Altering or using fake documents or encouraging their use; and
- Wilful refusal to allow the Bureau or its officers to have access to any procurement records.

This is as stated in the Public Procurement Act 2007, section 58, sub-section 4a-h and Financial Regulations of Federal Republic of Nigeria (as amended) 1999, section 3125 Part IV.

15.13 Sanctions.

Any officer who contravenes the provisions of the Public Procurement Act, 2007 shall be liable as follows:

- A term of imprisonment of not less than 5 calendar years without any option of fines.
- Summary dismissal from government services.

Any company or firm that contravenes any provision of this Act commits an offence and is liable on conviction to a cumulative penalty of:

- A fine of 25% of the value of the procurement in issue.
- Debarment from all public procurements for a period not less than 5 calendar years.
- Where any company or firm shall be convicted pursuant to the offences listed in 15.12 of this chapter, every director of the company as listed on its records at the Corporate Affairs Commission shall be guilty of an offence and is liable on conviction to a term of imprisonment not less than 3 calendar years but not exceeding 5 calendar years without an option of fine.

This is as stated in the Public Procurement Act 2007, section 58, sub-section 5a-b & 6a-b and Section 3126 Part IV Financial Regulations of Federal Republic of Nigeria 1999.

DISPOSAL OF UNIVERSITY PROPERTIES

16.0 Sections 55 and 56 of the Public Procurement Act, 2007 makes provision for the procedure for disposal of Government properties.

Section 56 (4) of the Public Procurement Act, 2007 provides that *“All procuring entities shall distribute responsibilities for the disposal of public property between the Procurement Unit and the Tenders Board”*.

The Board of Survey for the University of Lagos shall be responsible for issuance of notices, inspection and evaluation of University’s properties to be disposed off.

The Procurement Unit based on the evaluation of the Board of Survey shall subject to the approval of Tenders Board dispose the properties using appropriate means of disposal in line with Section 55(6) of the Public Procurement Act, 2007.

16.1 Planning of Disposals

Before slating any public property for disposal, the ViceChancellor whether acting in his own authority or at the direction of any superior or other authority in charge of any public property set for disposal shall authorise the preparation of a valuation report for such property by an independent Evaluator, or such professional with the appropriate competence to carry out the valuation.

Disposal of assets whether or not listed in the Assets register of the University shall be planned and integrated into the income and expenditure budget projection of the University.

Disposal of assets shall be timed to take place when the most advantageous returns can be obtained for the asset in order to maximise revenue accruing to the University.

16.2 Disposal Methods

University’s property, which is no longer needed, may be disposed of in accordance with the methods indicated below:

- Sale and Rental;
- Lease and Hire Purchase;
- Licenses and Tenancies;
- Franchise and Auction;
- Transfers from one governmental department to another with or without financial adjustments; and
- Offer to the public at an authorised variation.

16.3 Procedure for Disposal

- The Secretary to the Board of Survey shall issue notices periodically to all Departments calling for the list of unserviceable items to be boarded;

- Deans/Heads of Department shall notify the Board of items they wish to recommend for boarding. Such notification shall contain a comprehensive technical report of all items to be boarded, stating reasons for boarding and indicating their locations. On receipt of this information, the Secretary is to compile the list of the unserviceable items;
- On the directive of the Chairman of the Board, the Secretary shall summon a meeting of the Board to consider the list of unserviceable items and decide after inspection whether to accept the request of the Heads of Department to board the items. If the report is acceptable, appropriate recommendation shall be made by the Board to the ViceChancellor for approval;
- They shall authorise the preparation of a valuation report for such property by an independent evaluator or such professional with the appropriate competence to carry out the valuation;
- The Procurement Unit shall adopt appropriate means of the disposal in line with section 55 subsection 6 of the Public Procurement Act, 2007 or as may be amended.
- The Board shall arrange removal of the items from the various locations and assemble them in a predetermined place;
- Sales shall be open to the public including members of staff;
- Tenders shall be opened publicly and offer shall be made to the highest bidder;
- Any member of staff who wins the Tender on a fraudulent basis shall have such offers cancelled and shall be further recommended for appropriate disciplinary action;
- No Faculty, College, Department, Directorate, or Unit of the University shall undertake sale of unserviceable items
without following the laid down procedure in this chapter;
- Payment for all sales shall be made to the University and properly receipted for by the Bursary, payments made by cheques must be cleared before the properties (goods) are released.

CHAPTER SEVENTEEN

LOSS OF UNIVERSITY FUNDS & PROPERTIES

17.0 Loss or shortage of fund is a depletion of government fund at a given time. This can arise from any of (but not limited to) the following:

- (a) Misappropriation of funds
- (b) Falsification of records
- (c) Conversion of funds to personal use
- (d) False claims
- (e) Fraudulent payments
- (f) Theft
- (g) Negligence

17.1 Loss of Fund of ₦50, 000.00 and Below

Where a cash loss to the value of ₦50, 000.00 or below has occurred without fraud or theft being involved, the Vice Chancellor is empowered to surcharge the officers responsible up to the full amount of the loss. The Bursar shall be responsible for ensuring that all surcharges authorised, are duly recovered.

Where a loss or shortage occurs, it shall be charged as a personal advance against the officer responsible.

A surcharge is not a disciplinary measure and it can be made at any time whether or not disciplinary proceedings are being taken in respect of the circumstance leading to the surcharge. A surcharge can be justified whenever there is a degree of culpability, even though the same degree of culpability would not support the disciplinary charge for negligence or inefficiency. A degree of negligence which thought proved, does not in fact contribute to a loss or to its non-detection cannot support a surcharge in respect of that loss. For a surcharge to be made, there should be some degree of negligence or culpability on the part of the officer concerned which contributes to the loss.

17.2 Loss of Over ₦50, 000.00

The Officer in charge of the Office in which the loss occurs shall take the following actions:

- (i) Report immediately to the Head of Unit or Division.
- (ii) Report to the Vice Chancellor.
- (iii) Ensure that if a weakness in the system of internal control or inadequate security is established, measures have been taken to prevent a re-occurrence of the loss.
- (iv) Ensure that the accounting entries have been made.

17.3 Loss of Fund arising from the forgery of a Local Purchase Order shall be regarded as a loss against the Faculty/ Department/Unit of the University.

17.4 Loss arising from forged payment vouchers which bear the signature(s) of officer duly authorised to sign such vouchers shall be considered as losses against the University, unless it can be proved or established beyond reasonable doubt that fraud was done to the negligence of a person or persons who are officer(s) of the University.

Recoveries made or surcharges imposed shall be credited to the accounts of the department of the University suffering, the loss.

Loss of Stores, Plant, Motor Vehicles and Equipment. A Loss of stores, plant, equipment, etc. may be written-off under the personal authority of the Vice Chancellor, provided that:

- (a) The original cost or the estimated value of a unit of each item, whichever is applicable, does not but exceed ₦20,000.00 and the sum total of the value of the items does not exceed ₦100,000.00
- (b) There is no apparent weakness in the system of control.
- (c) There is no evidence of fraud or theft.
- (d) Where negligence is involved, the disciplinary action against the officer found negligent is within the delegated power of the Vice Chancellor.

17.6 In the event of any loss of stores, the officer in charge of the store in which the loss occurs shall;

- (i) Report immediately to the Head of Department or Unit but not later than three (3) days.
- (ii) Ensure that, if a weakness in the system of control or inadequate security is revealed, immediate measures are taken to prevent a re-occurrence of the loss.

17.7 On being informed of the Loss, the Head of Department or Unit shall:

- (a) Forward immediately, in writing, brief details of the loss to the Vice Chancellor.
- (b) Investigate the whole incident at the earliest possible time but not later than seven (7) days.
- (c) Recommend the convening of a Board of Enquiry to the Vice Chancellor if he considers that the circumstances warrant such an investigation.
- (d) Ensure that, if a weakness in the system of control or inadequate security is revealed, measures have been taken to prevent re-occurrence of the loss.

A Board of Enquiry shall be constituted under the following conditions:

- (a) If fraud is involved;
- (b) If the loss exceeds the amounts (specified in 17.06(a) above);
- (c) If several officers are involved;
- (d) If there is any doubt as to degree of responsibility for the loss;
- (e) If the loss occurred over a period of time.

17.8 Unserviceable Stores, Buildings, Plant, Motor Vehicles and Equipment

Unserviceable stores, buildings, plant, motor vehicles and equipment may be written off and disposed of under the personal authority of the Vice Chancellor, provided that ; Negligence of an officer is involved and the disciplinary action (with or without surcharge) against the officer(s) is within the delegated powers of the Chief Accounting Officer (Vice Chancellor)

DEDUCTIONS FROM INVOICE FOR PAYMENT

18.0 Deductions are in form of taxes, which are compulsory contribution to government revenue, levied by the government on a person's income and business profits (in case of income tax), or added to the cost of some goods, services, and transactions (in case of expenditure VAT).

18.1 Tax Deductible by the University The following types of taxes shall be deductible:

- Pay As You Earn (PAYE) ☐ Withholding Tax (WHT)
- Value Added Tax (VAT)

i Pay As You Earn (PAYE)

This type of tax is payable by both self-employed and employed individuals to the relevant State Board of Internal Revenue. The University shall deduct PAYE from all categories of staff on its payroll at the applicable rate.

ii Withholding Tax (WHT)

This is an advance payment of tax liability payable by a payee to the Federal Inland Revenue Service - FIRS (in the case of limited liability companies) and State Board of Inland Revenue - SBIR (in the case of Ventures/Enterprises).

The tax shall be deducted at the applicable rate at source by the University on behalf of the government from the profits on contracts for the purpose of offsetting their tax liabilities.

Every registered contractor of the University shall have a Tax Identification Number (TIN) which is a pre-requisite and the means for the remittance of the deducted tax.

iii Value Added Tax (VAT)

This type of tax is payable by a payee to the Federal Inland Revenue Service (FIRS) on the consumption of some goods and services made locally or imported into the country. From the buyers' perspective, it is a tax on the purchase price, while from the sellers view it is a tax only on the value added to a product material or service.

The tax shall be deducted at the applicable rate at source by the University on behalf of the government from the profits on contracts.

The Tax shall be applicable to construction, repairs, sales and services with the exception of the following goods; Medical & Pharmaceutical raw materials and products, Basic food

items, Books, Newspapers & Magazines, Educational Materials and Commercial Vehicles & spare parts.

18.2 Collection Procedures for Withholding Tax and VAT By Ministries, Departments and other Agencies of Government

The following facts are emphasised about collection of VAT and Withholding tax from Ministries, Departments and other agencies of government and the University shall comply with the procedures as follows:

- Withholding tax is not a separate type of tax but a payment on account of income tax and it is available as set-off against tax assessment of relevant periods.
- Ministries, Departments and other agencies of government do not bear the burden of withholding tax but merely act as agents of collection of the tax.
- VAT is a tax on consumption of VATable goods and services.
- As consumers of goods and services, ministries, parastatals and other agencies of government pay VAT on their consumption in addition to the contract price of the item consumed by them and, for the contractor to render monthly returns, government agencies must obtain receipts from the FIRS for the VAT paid on behalf of the contractors. The FIRS will issue receipts along with photocopies of receipts received from the FIRS to the contractor.

18.03 Other Deduction

500m Usd Endowment Deductions

This is a contribution deductible and made available to the University for the purpose of its development.

The University shall deduct two percent (2)% from all payments by vendors and contractors to its Endowment Fund.

GENERAL NOTE

BREACHES AND VIOLATION OF ANY OF THESE FINANCIAL REGULATIONS SHALL BE REPORTED TO THE VICE CHANCELLOR FOR APPROPRIATE ACTION.