

UNIVERSITY OF LAGOS

MANUAL OF OPERATIONS
IN THE BURSARY (FINANCE)

JULY, 2015

TABLE OF CONTENTS

	Page
Foreword	vi
Preface	viii
Chapter One	1
Introduction	1
Chapter Two	9
Directorate of Budget, Planning, Control and Staff Matters	9
Budget Unit	9
Expenditure Control Unit	19
Faculty Finance Offices	24
Price Monitoring Unit	25
Salaries, Wages & Pension Unit	26
Chapter Three	37
Directorate of Final Accounts	37
Final Accounts Unit	37
Creditors, Debtors & Advances Unit	42
Unilag Stores	49
Students' Accounts & Statistics Unit	51
Electronic Data Processing Unit	55
Reconciliation Unit	59

Chapter Four	63
Directorate of Treasury	63
Cash Office	63
Investment Unit	73
Chapter Five	75
Other Collection Centres	75
Self-Accounting Income Generating Units	75
Distance Learning Institute (DLI)	76
Human Resources Development Centre (HRDC)	80
University of Lagos Consult (UNILAG CONSULT)	81
University of Lagos Staff School	82
International School Lagos (ISL)	83
Non Self Accounting Units	84
Unilag Health Centre	84
Unilag Sport Centre	85
University Library	85
Auditoria Management Unit	85
The University of Lagos Radio (UNILAG RADIO)	85
Confucius Institute	86
Unilag Property	86
Institute of Continuing Education	87

FOREWORD

Within the overall strategic plan of the University, the Bursary is charged with the responsibility of finance functions. To guarantee effective delivery of the desired finance functions, the Bursary must have a robust work force that is well grounded in the technical details and understanding of the objectives and interrelatedness of the schedules within the Bursary. This is in addition to the professional skills.

The aforementioned has prompted the present leadership of Bursary to collate in a formal manual, the stage by stage procedures of operations which have been established and institutionalized over the years with attendant control measures.

The information contained in this manual has been compiled to provide the operators of finance functions of the University with thorough understanding of the Bursary deliverables. In addition, it will serve as continuous training aid for Bursary staff. This, I believe, is aimed at making the University's finance functions as simple, complete, accurate and reliable as possible.

I urge all staff in the Bursary to get familiar with the contents of this manual. It is my hope that good and proper understanding of the

contents of this manual will enhance the University's efforts of sustaining institutional memory.

Prof. Rahamon A. Bello, FAEng

Vice-Chancellor

July, 2015

PREFACE

This manual of operations has been prepared to document the basic internal accounting procedures which have been developed and applied in the Bursary department of the University of Lagos.

Its purpose is to ascertain that we are able to secure accuracy, completeness and integrity of our objectives of ensuring that:

- Assets are efficiently acquired and safeguarded
- Funds are expended in a manner that is efficient, economical and effective to achieve the purpose for which they were provided.
- Finances are managed with responsible stewardship.
- Financial statements are in conformity with Generally Accepted Accounting Principles (GAAP) and International Public Sector Accounting Standards (IPSAS)
- The manual is also expected to serve as a manual of training for new entrants in the Bursary.

All personnel with a role in the management of University of Lagos finances are expected to uphold the policies and procedures in this manual. It is intended that this accounting manual serves as our commitment to proper, accurate financial management and reporting.

Lateef Alani Odekunle Ph.D, FCA

Bursar

July, 2015

CHAPTER ONE

1.0. Introduction

The Bursary performs the financial and accounting functions of the University. It is headed by the University Bursar who is, by the University of Lagos Act, the Chief Financial Officer of the University and is responsible to the Vice-Chancellor for the day-to-day administration and control of the financial matters of the University.

As a department with definite purpose and structure, the vision and mission of the Bursary are as stated below:

1.1. Vision of Bursary

To create a proactive and first rate ICT driven finance department poised to ensure that the University ranks amongst the first 100 universities in the world.

1.2. Mission of Bursary

To guarantee the University and its stakeholders the most efficient and effective way of resources mobilization, allocation and management, using appropriate information technology through the provision of excellent services.

1.3. Scope

Basically, the Bursary is responsible for the financial management functions of the University. The scope of the financial management activities covers critical aspects of:

- (i) Mobilization of resources i.e. funds
- (ii) Allocation of funds to various activities in a way that will bring value addition to the University, hence consideration for economy, effectiveness and efficiency.
- (iii) Accounting for spent funds.

1.4. Objectives of Financial Management in the Bursary

The objectives achievable by financial management in our University are:

- (i) **Fiscal:** This is to ensure that financial resources are efficiently mobilized and acquired, held safely and disposed economically.
- (ii) **Value for Money:** This is a responsibility to ensure that stated and anticipated objectives are achieved with minimum cost. This has three components namely:
 - (a) **Economy:** which refers to procurement of human and material resources in appropriate quality and quantity at the lowest cost.

- (b) **Efficiency:** which is the relationship between output and resources (input) used to produce them. The underlying objective here is increased productivity.
 - (c) **Effectiveness:** which refers to the extent to which an organization or a programme achieves stated goals or intended effects.
- (iii) **Liquidity:** This is to ensure that the University as an organization meets its expenditure needs as and when due. This is achieved through efficient fund management in order to ensure optimal fund availability at lowest cost and maximum yield on investment of idle funds.
- (iv) **Accountability:** This requires an application of efficient financial management using accounting tools which allow management to give stewardship of resources under its custody.
- (v) **Responsibility:** The accounting component of financial management in a university provides means for the administration to demonstrate the propriety of transactions and their conformity with established rules.

- (vi) **Control:** It forms the basis for the good conduct of the University's financial process.

In order to accomplish these functions, the Bursary maintains full accounting records of assets and liabilities as well as, income and expenditure of the University. It also prepares estimate of revenues and expenditure, both of a capital and recurrent nature within the Medium Term Expenditure Framework (MTEF) as prescribed by the Fiscal Responsibility Act 2007 of the Federal Republic of Nigeria and in line with the University Strategic Plan. The Bursary equally prepares and maintains other accounting records, including ledgers, payroll and ancillary records. These functions are performed through the Bursar's Office and the following Directorates: Directorate of Budget Planning and Control, Directorate of Final Accounts and Directorate of Treasury. Each Directorate is headed by a Director.

The Directorate of Budget looks after the budget planning, preparation and control. The Bursary operates On-Line-Real-Time Processing System to enhance accurate financial information of the University.

With regard to the University's financial stewardship to its stakeholders, the Bursary through Directorate of Final Accounts undertakes efficient book-keeping, and renders responsible financial reporting obligations as necessary. It also maintains an efficient

archival system, as well as management of insurance system on both the assets and the personnel of the University.

The Treasury Directorate ensures fund mobilization, efficient receipt and payment of money to University stakeholders such as students, staff, service providers, government and many others. The Directorate's activities also include investment of funds for optimal returns, foreign exchange management, custody of University financial instruments such as investment and treasury certificates and receipts.

College of Medicine (CMUL)

Finance Department of the College of Medicine University of Lagos (CMUL).

The Finance Department of the CMUL headed by a Director has a broken line relationship with the Bursary of the Main Campus. The Director who is responsible to the Provost keeps a reporting relationship with the Bursar in terms of budget, grant appropriation and financial statement consolidation.

1.5. Legal and Regulatory Environment.

The legal and regulatory framework of Bursary activities are rooted in the following:

- The Constitution of the Federal Government of Nigeria 1999 as amended

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

The Bursary at all times adopts government financial reforms as handed down from time to time.

1.6. Financial Authority.

The present financial authority limits as approved by Council since 2009 are as follows:

Approval Limits

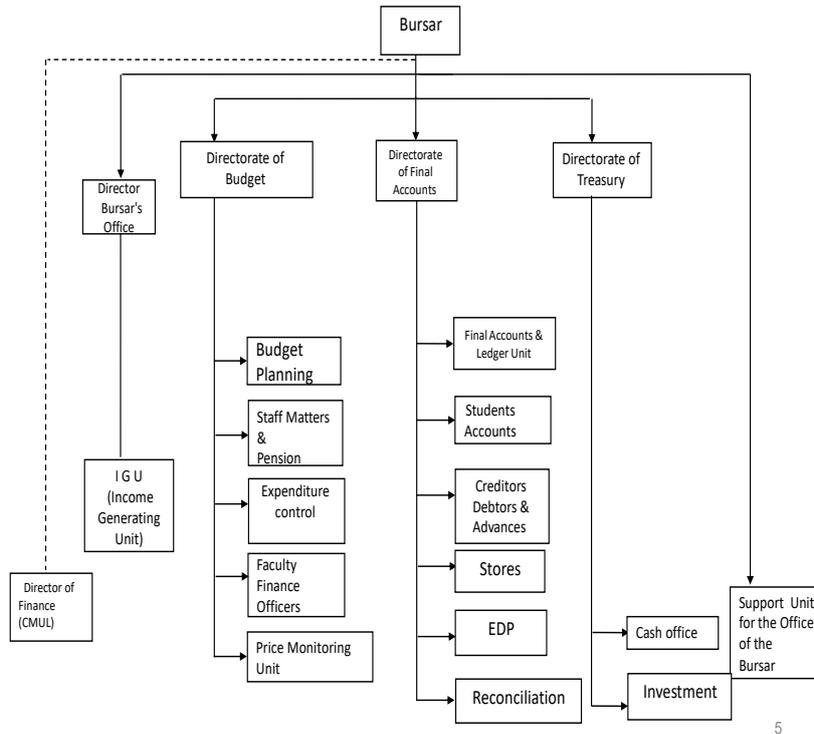
Vice Chancellor	2,500,000
Other Principal Officers	250,000

Chairmen of Specified Boards (i.e. CITS, Unilag Consult, HRDC, Medical Centre)	500,000
Chairmen of other Management Boards	250,000
Deans and Directors	250,000
Heads of Departments	150,000
Heads of Units under Department	100,000

1.7. Management

The Bursary in its current form is managed by seasoned professional accountants whose varied experiences include investment, public sector accounting, business assurances, taxation and tax management, systems processes and reviews, financial management and cost efficiency.

1.8. Bursary Organogram



5

CHAPTER TWO

2.0. DIRECTORATE OF BUDGET PLANNING & CONTROL AND STAFF MATTERS

This is made up of:

- Budget Unit
- Expenditure Control Unit
- Faculty Finance Offices
- Price Monitoring Unit
- Salaries, Wages & Pension Unit
- Bursary Filing Room

2.1. Budget Unit

This Unit is saddled with the responsibility of preparing the University's financial estimates as well as various reports relating to the University's funds as required by the Office of the Accountant General of the Federation, Budget Office of the Federation and National Universities Commission (NUC) and other relevant agencies. The Unit is headed by a Deputy Bursar. The procedure in carrying out functions of this Unit are as follows:

2.1.1. Annual Local Estimates (Budget)

- Budget time table and sample of Estimate Blank Form for submission are sent to all departments and units.

- The budget proposals received are collated using the budget program (FoxPro), to generate draft estimate.
- All departments and units are circularised preparatory to the Budget defence.
- Presentation of draft estimates at the Budget Hearing exercise and defence of proposal by the Heads of Departments/Units concerned.
- Preparation of aggregate estimate of revenue and expenditure based on budget performance of the current financial year.
- Amendments are made where necessary and the aggregate estimates are presented at the following meetings for consideration and approval.
 - a. Development Committee Meeting.
 - b. Finance and General Purposes Committee (F&GPC) Meeting.
 - c. Council Meeting. The Governing Council approves the estimate and it becomes the University's Operational Budget for the financial year.
- Communicate Council's approval of Budget to the departments and units for redistribution based on their needs and priorities where necessary.
- Receive redistributed amount or reprepared budget based on Council's approval from the departments/units, and necessary

adjustments are made so as to agree with the overall budget that Council approved.

- Bound copies of the budget are produced and distributed among the Principal Officers, Deans of Faculties, Unit heads under Bursary and Registry.
- Commitment of actual expenditure in the Expenditure Control Unit and Faculty Finance Offices.
- Periodic budget performance statement is prepared to evaluate the actual implementation of the budget.

2.1.2. Generation of Reports

All reports are compiled and bound appropriately

2.1.3. Budget Performance Report

- Receive all revenue reports from Final Accounts Unit & Treasury Unit.
- Prepare actual Subvention Schedule for the period and monthly actual revenue/receipts schedule
- Prepare summarised revenue report on quarterly, half yearly and yearly bases
- Access expenditure control report from the Budget program and generate the actual summarised expenditure

- Prepare Direct Teaching and Laboratory Costs (DTLC) and Central Research reports to determine their actual expenditure for the period
- Prepare summarised Income Generating Units (IGUs') operational statement to determine their actual performance and Contribution Schedule.
- Incorporate expenditure report on FGN capital, IGR funded Capital and Rehabilitation projects on quarterly, half yearly and yearly bases.
- Prepare draft budget performance for Bursar's review and make necessary amendment to generate Budget Performance Report

2.1.4. Federal Budget Report.

The activities include the following:

- Request that the Registry, Academic Planning Unit and Works & Physical Planning Department submit relevant information for the preparation of the Federal Budget Report.
- Prepare Personnel Cost Budget with accompanying schedule and Overhead Budget with its schedule. In addition, Capital Estimate (on-going and new projects) is prepared in conjunction with the Works and Physical Planning Department.
- Prepare the Final Federal Budget report after management's deliberation and consideration of the draft report.

- Submit the report to the Federal Ministries of Education and Finance through the National Universities Commission (NUC).
- Receipt of appropriation (called Envelope) from National Assembly. This is incorporated into the University's annual local estimate (Budget) as the receipt from Federal Government.

2.1.5. University System Annual Review Meetings (USARM) Report.

This entails:

- Analysis of submission received from departments/units and captured into the USARM template of revenue and expenditure
- Prepare and present to Management the draft report for consideration and amendment.
- Prepare the final USARM report and the corresponding ratio analysis.
- Submission and defence of the USARM report at the NUC secretariat

2.1.6. Preparation of Internally Generated Revenue (IGR) Report for Budgetary Control and Variance Analysis.

- The same procedure stated in the budget performance report is followed in preparing the IGR report.
- Monthly posting of revenue analysis on excel format template.

2.1.7. Preparation of Income Generating Units (IGUs') Report for Budgetary Control and Variance Analysis.

- The IGUs are requested to submit their operational statements.
- Prepare a summarised IGUs' operational statement to determine their actual performance.

2.1.8. Preparation of IGR Funded Capital, Rehabilitation Capital & FGN Funded Capital Report on Quarterly, Half-yearly and Yearly Bases

- Capture expenditure on IGR, Rehabilitation and FGN capital projects on regular basis.
- Prepare Capital Expenditure Report.

2.1.9. Preparation of Tertiary Education Trust Fund (TETFUND) Report.

- Prepare financial returns, expenditure and progress report on projects & scholarship
- Reconcile bank statement with the payment made and receipt from TETFUND

2.1.10. Preparation of Central Research Report on Quarterly, Half-yearly and Yearly Bases

- Capture research expenditure to generate report.

- Prepare Central Research Expenditure Report.

2.1.11. Preparation of Direct Teaching and Laboratory Cost (DTLC) Report.

- Capture expenditure on DTLC

2.1.12. Preparation of Outside Grant & Donation (OGD) Report

- Capture expenditure on OGD projects to generate report

2.2. PAYMENT PROCESS

2.2.1. Raising of Local Purchase Order (LPO) for Capital Projects

- Confirm fund availability
- Raise LPOs based on the approved expenditure
- Open file for each project.
- Note the liability as regards the LPO on the Vote Book.
- LPOs are signed by authorised signatories.
- File the duplicate copy of LPOs with the approved documents.
- Collection of the LPOs by the contractors.

2.2.2. Payment on Certified Executed Projects

- Only certified projects by the Internal Audit Unit, are processed for payment.

- Attach payment copy of the LPO to the approved expenditure memo in the case of capital projects.
- Commit the amount stated on the approved document which should tally with the amount on the payment certificate in the case of FGN and IGR projects. Also commit the amount on the invoice(s) approved for processing in the case of LPOs
- Note approved and committed expenditure on Vote Book
- Make copies of the document containing the amount committed for filing
- All original documents are sent to Creditors and Advances Unit where the payment vouchers are raised

2.2.3 Direct Payment on DTLC and Capital Projects

- Departments seek approval for payment. This is granted based on fund availability.
- Commit the amount on the documents e.g. invoices
- Note committed expenditure on Vote Book on the Actual column of the Vote Book
- Raise and sign e-payment and e-journal vouchers.
- Payment vouchers are sent to the Internal Audit Unit for pre-payment audit.
- Make copies of the audited payment e-vouchers and documents for filing

- Audited payment vouchers and supporting documents are sent to the Cash Office for payment.

2.2.4. Payment Certificates on TETFUND and OGD Funded Projects

- Open a file for each project.
- Confirm fund release or receipt for the projects at Cash Office.
- Repeat all other processes as in “2.2.3”above.

2.2.5. Research and Miscellaneous Advance in Respect of Central Research, TETFUND, OGD and Rehabilitation Projects

- Raise commitment paper to be signed by the member of staff collecting the advance
- Register the advance in the Advance Register
- Note expenditure on the estimate column of Vote Book.
- Repeat all other processes as in “2.2.3”above
- Detach and send the pink copy of the commitment paper to the staff concerned.

2.2.6. Reprocessing of Returned Mandate

- Receive copy of the payment voucher with receipt issued by Cash Office and copy of bank credit advice for reprocessing.

- A payment voucher is raised following the normal process of making payment.
- Audited payment voucher with relevant documents are sent to the Cash Office for payment.

Note: No additional commitment of expenditure is required.

2.2.7. Retirement of Advances

- Retirement of Research, TETFUND, OGD and IGR Funded Rehabilitation advances.
- Complete Statement of Expenditure to Retire Form, and attach the documents for retirement of the advance. Also attach the audited Commitment paper of the advance and send to Audit Unit.
- Raise Clearance Certificates based on the audited documents.
- File duplicate copies of the Clearance Certificate and the Statement of Expenditure to Retire Form.
- Send file copies to Creditors, Debtors and Advances Unit for final retirement and clearance of advance.
- Send Clearance Certificate to the staff concerned and copy individual files.

2.2.8. Disengagement Clearance

- Check all relevant records for any uncleared advance(s) of the Disengaging staff.
- Request the Disengaging staff to retire his outstanding advance if any.
- Forward completed disengagement clearance paper to Creditor, Debtors & Advances Unit.

2.3.0. Expenditure Control Unit

Expenditure Control Unit is responsible for monitoring and controlling the expenditure of various units in the University. The Unit ensures that expenditure votes are not exceeded by committing expenditure against vote balance. It maintains Vote Books on expenditure by the Departments/Units in the University except the Income Generating Units.

2.3.1. Departmental/Unit Recurrent Budget

Approved budget of Departments/Units are received from the Budget Unit and summary sheets are opened for each departmental vote head. Payments are made through reimbursements, LPO, imprests, advances to members of staff, direct payment to suppliers, Government Agencies and Organisations.

2.3.2. Reports

The Unit records actual expenditure incurred and committed to generate report for the preparation of budget performance by the Budget Unit.

Periodic Expenditure Control Report (vote balances) are generated, printed and distributed to the Deans/Heads of Departments/Units.

2.3.3. Procedures for Processing Payments

- Approved requests for payment are received from the Heads of Departments/Units through the Bursar
- Confirm vote balance to ensure availability of funds before processing of request
- Note expenditure in the departmental Vote Book
- Posting of committed expenditure on the Budget and Expenditure Control program
- Raise and sign e-payment vouchers
- Signed payment vouchers are sent to the Internal Audit Unit for verification and certification
- Make copies of the audited payment vouchers with documents for filing
- Audited payment vouchers with documents are sent to the Cash Office for e-payment

- All requests for payment follow the above-mentioned processes and the additional ones as stated below:

2.3.4. Purchase Advance

- Receive approved memo in favour of beneficiary from authorised signatory.
- Raise commitment paper to be signed by the staff collecting the advance and a copy should be put in the file.
- Note the liability under the estimate column of the Vote Book.
- The approved memo and commitment paper are sent to Internal Audit Unit for certification
- Detach audited commitment papers and send to Creditors, Debtors and Advances Unit, while the audited payment voucher and approved memo are sent to the Cash Office.
- Detach copy of commitment paper and send to the staff concerned and another copy to the staff file.

2.3.5. Direct payment to Suppliers

- Check expenditure request (memorandum) for approval and authorised signature
- Confirm fund availability.
- Commit and note liability, in the Vote Book.
- Raise and sign e-payment and e-journal vouchers

- Forward signed documents with payment and e-journal vouchers to the Internal Audit Unit for verification and certification and subsequently to the Cash Office.

2.3.6. Processing of Local Purchase Order (LPO) for Recurrent Expenditure

- Expenditure request memo must be accompanied with three quotations approved by the Dean/Head of Department/Unit or the Dean/Vice Chancellor as the case may be.
- Raise the LPO
- Note the liability as regards the LPO in the estimate column of the Vote Book (summary sheet)
- The LPO is signed by authorised signatories
- The duplicate copy of the LPOs with the documents containing the approval are filed
- Collection of the LPOs by the contractors.

2.3.7. Payment on Local Purchase Order

- Attach payment copy of the LPO to the approved payment request
- Note actual expenditure under the actual column of departmental Vote Book
- Make copies of the committed approval for filing.

- Send the original documents to the Creditors, Debtors and Advances Unit where e-payment vouchers are raised.

2.3.8. Other Income Votes

- Receive request for expenditure.
- Confirm availability of funds.
- Commit the amount requested for.
- Note the expenditure in the Vote Book.
- Raise and sign e-payment and e-journal vouchers.

2.3.9. Imprest

- Receive memorandum from the Deans and Heads of departments stating who should be the imprest holder in case of first imprest.
- The first imprest is paid based on the request from the Dean/Head of Department/Unit.
- Subsequently, requests are made for replenishment which are treated as retirement of the previous one
- Note expenditure on imprest in the departmental Vote Book
- Raise and sign e-payment Voucher and e-journal vouchers.
- Forward the e-payment voucher and e-journals vouchers to the Internal Audit Unit for verification and certification
- File audited e-journal

2.3.10. Reprocessing of Returned Mandate

- Receive returned mandate with receipt and copy of the credit advice along with copy of payment voucher for reprocessing.
- Raise and sign payment vouchers in respect of the returned mandate
- Forward payment vouchers with the relevant documents attached to the Internal Audit Unit for verification and certification and subsequently to the Cash Office.

2.4. Faculty Finance Offices

The Faculty Finance Offices are responsible for processing of recurrent expenditure (including capital from recurrent) requests, as they relate to the academic departments and ensure strict budget compliance for all departments/units. This includes payment in respect of Direct Teaching and Laboratory Costs (DTLC) and Foundation Programme. The job procedures in the Faculty Finance Offices are the same as in the Expenditure Control Unit above except for the following:

2.4.1. Postgraduate Endowment Fund: This is a fund created from the Post Graduate Endowment fee for the purpose of upgrading teaching facilities in various faculties of the University.

- Payments of postgraduate endowment fund are made through reimbursement, advances, direct payment to suppliers and Local Purchase Order (LPO)

2.4.2. Postgraduate Development Fund: It is a fund created by SPGS to support faculties in the provision of additional basic teaching facilities for various faculties in the University.

- Requests for payment from the Heads of Department pass through the Dean School of Postgraduate Studies (SPGS) to the Bursar for processing.

2.5. Works and Physical Planning Unit Accounts

The Unit performs for Works and Physical Planning Unit same functions and procedures as in Expenditure Control Unit (2.3.3).

2.6. Price Monitoring Unit

The Unit monitors prices of goods in the market with a view to furnishing departments and units with the prevailing market prices, so as to ensure value for money in procurement of goods.

2.6.1. The Operation and their Procedures

- Conduct survey to obtain standard and prevailing market prices of goods.

- Compile current prices of goods and distribution of such to relevant units.
- Give valuable advice to the management on the prices of goods.
- May assist in purchase of items on request.

2.7. Salaries, Wages & Pension Unit

The Unit is responsible for processing and payment of regular and non-regular staff salaries, pension and every other payment that relates to emoluments.

The payroll system covers the policies and procedures for authorization, payment and accounting for salaries, wages, pensions paid to University current employees and pensioners.

The schedules in the Unit covers the following:

- Academic Staff Salaries
- Senior Staff Salaries
- Junior Staff Salaries
- Emoluments for adjunct lecturers, NYSC, Graduate Assistants, Graduate Fellows, Research Assistants and others.
- Tax Matters
- Pension Matters

- Filing of records of all employees and pensioners in the Filing Room.

2.7.1. Payroll System

Introduction

Payroll simply means the whole system in the University where a list of all employees whether on permanent or temporary appointment as well as pension is compiled with a view to determining their salaries and wages in compliance with the terms under which each is remunerated. Each Officer's Letter of Appointment indicates his/her entitlements prepared in accordance with his job title and strictly in conformity with the relevant labour laws.

For control purposes, the Bursary does not put any person on the payroll unless there is receipt of a copy of that person's Letter of Appointment and an appropriate report that the person has actually assumed duties from the Registrar. Heads of Department shall also assist in the procurement of these records by providing necessary information on staff for their various units and departments. Finally a staff member must have signed the VC's or Registrar's Register.

There are different categories of employees in the University system, who receives one form of emolument or the other. This may be Permanent, Temporary, Contract, Adjunct, or Casual. The terms and

duration of non-permanent category are limited, therefore care must be taken not to prolong the duration of service without authorization.

2.7.2. Payroll Software

At the University of Lagos, the salary administration runs on a customized program. It runs on a server housed within the Electronic Data Processing Unit (EDP) of the Bursary.

The Payroll Server can equally be accessed by Salaries & Wages Unit of the Bursary.

The EDP Unit, the Salaries & Wages Unit, the Cash Office and the Internal Audit Unit are critical in the administration of salaries and wages of the University.

2.7.3 New Employees

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

- Copy of the Letter of Appointment of the employee to an established position, for which provision had been made in the current year's personnel budget in the University.
- Letter of Acceptance

- Letter of Introduction from the Vice Chancellor (Except Junior staff)
- Assumption of Duty Certificate, showing details of the employee's actual salary point and date of assumption of duty. These documents must come in a new file opened for the particular employee in the Bursary.
- Basic Maintenance Form, stating the employee's bank details and other personal information duly signed by both the employee and Head of Department.

The above information will enable the Salaries and Wages Unit to complete an input form in order to place the new staff on the payroll. When changes, such as increment, overtime, promotion, personal taxation, and/or pension, are advised, a temporary input form is completed for the Electronic Data Processing Unit to update the employee's payroll file. Once the Bursar is advised on the retirement, dismissal, termination, resignation, death or leave (not annual) of an employee, such information is sent to the EDP Unit and Salaries & Wages Unit.

2.7.4. Existing Employee

The departments and units do present variations as they may concern existing staff.

The information in form of memoranda, letters or forms are forwarded to the Bursar's Office. The Bursar minutes them to Salaries & Wages Unit and copy the EDP Unit for processing into the payroll system.

The following directories are on the University payroll server namely:

Academic Staff

Senior Staff

Junior Staff

Pension

Income Generating Unit.

Each of these directories is handled by competent IT Staff and Accountants. They have their respective offices in the EDP and Salaries & Wages Units of the Bursary.

2.7.5. Staff Profile

At the point of being introduced into the payroll, the Human Resource Management Department would have provided the Bursary with each staff profile. This is updated in the event of new approved information duly communicated.

2.7.6. Flow of Documents for Payroll Input

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

Registry for:

New appointments

Promotions

Annual increment

Stoppage of salaries.

Disengagements e.g. Retirement, Resignation, Leave, Change of Status, Death, etc.

Departments for:

Overtime or shift duties

Unions for:

- a. Dues
- b. Other deductions as might be necessary

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

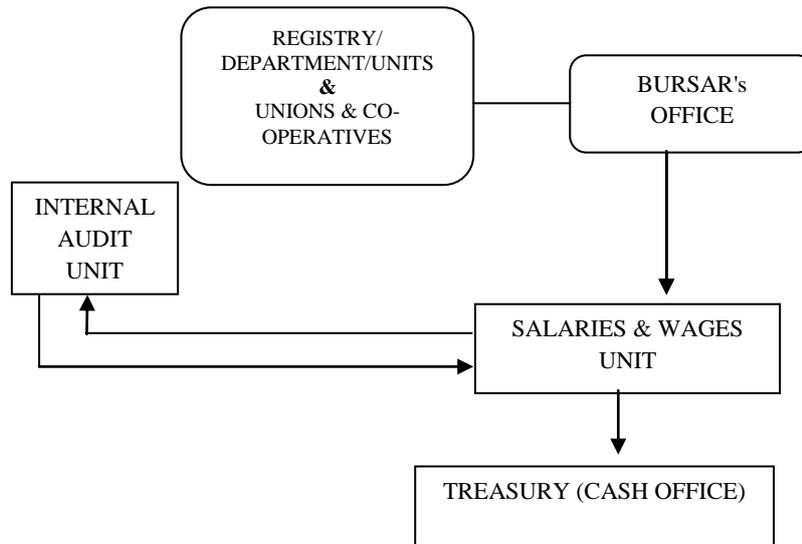
When all data for input have been completed at the Salaries and Wages Unit, the EDP Unit now generates Audit Trail Report of all input to enable the staff responsible for each directory to check and make necessary corrections.

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

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

2.7.7. Payroll Flowchart

The chart below demonstrates the flow of the payroll data up to pay point



2.7.8. Payment of National Youth Service Corp

Documents required are:

- Letter of Postings
- Monthly Clearance Letter
- Employee Basic Maintenance Form completed by the beneficiary at the point of entry.

2.7.7. Payment of Work Study

Document required is:

- Schedule of work done prepared by the Students' Affairs Division

2.7.8. Payment of Graduate Fellowship Awards, Teaching Assistantship, Skilled Casual Staff and Adjunct Lecturers

Documents required:

- Letter of Postings
- Monthly Clearance Letter
- Employee Basic Maintenance Form completed by the beneficiary at the point of entry.

2.7.9. Honoraria for Council Members

Documents Needed:

- Letter of Appointment/Introduction from the Registrar.
- Employee Basic Maintenance Form to show bank details.

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

The EDP Unit captures all the salaries prepared by individual officers through its server and then prints out the salary reports including deductions which the Unit uses to raise payment vouchers.

The payment vouchers and salary computer printouts are then sent to the Internal Audit Unit for prepayment audit and thereafter to Cash Office for payment.

2.7.10. Tax Matters & other Salary Reports

- Processing of all documents on PAYE.
- Processing of Electronic Tax Clearance Certificate (e-TCC) for all the members of staff.
- Computation of monthly payroll variance analysis.
- Remittance and collection of Receipts for all P.A.Y.E.
- Computation of all other analysis as may be required by the management

2.8. Pension Section

2.8.1. Placement of New Pensioner on Payroll

The following are the information required to place a pensioner on the payroll;

1. Name of pensioner
2. Address of pensioner
3. Date of birth
4. Designation
5. Grade and step
6. Date employed
7. Date confirmed

8. Pay point code
9. Bank account details
10. Pension number
11. Terminal Date For Life Form
12. Pensionable month
13. Retirement date

The procedure is the same as for payment of salaries

2.9. Bursary Filing Room

The Filing Room is the record keeping unit of the Bursary. It maintains files for every member of staff and pensioner and ensures that all documents received are properly filed. It also maintains correspondence file for various matters as passed to the Room.

Mail may be received from:

- Bursar's Office
- Salaries & Wages Unit
- Expenditure Control Unit
- Creditors, Debtors & Advances Unit

Filing

- Files are opened for new employees.
- Mail is filed into respective individual file.

CHAPTER THREE

3.0. DIRECTORATE OF FINAL ACCOUNTS

3.1.0. The Directorate Consists of the following Units:

- (i) Final Accounts Unit
- (ii) Creditors, Debtors & Advances Unit
- (iii) Stores (including Archives)
- (iv) Students' Accounts & Statistics Unit
- (v) Electronic Data Processing Unit (EDP)
- (vi) Reconciliation Unit

3.1.1. Final Accounts Unit

The activities of the Unit include maintaining and keeping up to date Fixed Asset Register and arranging for necessary insurance covers for human and physical assets. The Unit liaises with the relevant regulatory agencies on financial matters on behalf of the University.

(a) Specific Functions of the Unit are as Follows;

- Prepare and report on management account and financial statement
- Check summary and detailed Trial Balance for unusual balances.
- Investigate unusual balances in the Ledger

- Correct the unusual balances or errors by raising necessary journal voucher
- Prepare monthly, quarterly, half yearly and annual management accounts for the Management and Council.
- Prepare financial statement of the University for statutory audit.

(b) Call Over of Receipts and Payment Vouchers

- Check receipts and payment vouchers posted into Cash Book to ensure that codes and amounts are correctly posted
- Raise observations where errors are noticed
- Raise journal vouchers to correct errors observed.

(c) Stock Taking Exercise

- Prepare stock taking programme and its schedules.
- Arrange for physical stock count as follows:
 - (a) Draw time table for stock taking exercise
 - (b) Notify Store personnel and the Bursary Officers to be involved in the exercise.
 - (c) Notifications are sent to the Auditors (Internal & External).
 - (d) Provide Stock Sheet to be used for the exercise.
 - (e) Provide cleaning materials to the officers involved
- Check the physical stock count figures with the Bin Card figures during stock count
- Raise journal vouchers for necessary correction(s).

- Post journals into the general ledger

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

- Invite the External Auditors for the annual audit exercise.
- Arrange for pre-audit meeting with External Auditors.
- Agree on a date with the External Auditors for the commencement of the audit exercise.
- Attend to issues raised by the External Auditors during the course of the audit exercise
- Respond to Management Letters from the Auditors.

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

- Receive officials from Office of Accountant General of the Federation, Auditor General for the Federation, NUC and other government agencies. e.g. ICPC and EFCC.
- Attend to various issues raised during the period of their visitation.
- Respond to queries raised (if any).

(f) Maintenance of Accounting Codes and Chart of Accounts

- Receive authorization letter for the creation of accounting codes.

- Create ledger account code.
- Communicate to various units concerned informing them of the code created.

(g) Filing and Documentation

- Receive payment vouchers and receipts from Cash Office.
- Arrange both payment vouchers and receipts by bank account name for ease of call over exercise.
- File both payment vouchers and receipts according to their respective bank account name.
- Retrieve past records for External Auditors and Government representatives (Auditor-General, Accountant General of the Federation) from archives or any other source.

(h) Maintenance of Fixed Assets Register

Keep Fixed Assets Register for all fixed assets purchased/acquired.

The details of the Fixed Assets Register include:

- Date of purchase
- Description of item
- Mode of acquisition i.e. purchased or donated
- Cost of purchase
- Funding source
- Identification /serial number
- Location of assets

- Cost at time of purchase/acquisition
- Depreciation method and rate
- Vendor's name and address
- Date of disposal
- Realised value at disposal

(i) Underwriting of Insurance Policies

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

(j) Processing of Insurance Claims

- Report immediately to the Insurance Broker, in the event of an accident that may lead to claim.
- Collect details of the event/accident from Works & Physical Planning Department, (W&PP), or the affected department/unit accompanied by a police report and where necessary picture of the incident with the estimate of repair.
- Complete a claim form and attach all the documents relating to the claim, and send it to the Insurance Broker

- The insurance underwriter appoints a Loss Adjuster who conducts the physical inspection of the scene in the presence of officers from W&PP Department for the purpose of evaluating the loss and for making necessary adjustments of the estimate of the repair where necessary. If the accident involves motor vehicle, the insurance underwriters appoint their engineers to evaluate and make reasonably necessary adjustment of the valuation.
- The Insurance Broker sends to the Bursar a Discharge Voucher (DV) stating the amount of claim the insurance company intends to pay.
- The Claim Form and Discharge Voucher are sent to W&PP for evaluation if the amount of money the insurance company intends to pay is acceptable.
- If acceptable, the DV is signed and returned to the insurance company, otherwise, the DV is returned unsigned.
- The insurance company sends its cheque(s) in respect of the claim to the University.

3.2. Creditors, Debtors And Advances Unit

This Unit is responsible for creditors, debtors and advances matters concerning staff and other external entities and agencies. Payment to contractors comes under headings namely: Major Contracts, Minor Contracts and other contracts.

The major capital projects are those projects whose funding is from capital source. Sometimes the time of completion may span over a period of time and payments to contractors are made in stages of completion. Minor projects are not capital in nature. Necessary documents such as Letter of Award, Certificate of work done, Bill of Quantities and approval to pay are obtained from the project file to prepare the payment voucher.

The payment procedure is as follows:

- Approval to pay already committed by the Budget Section is received.
- Raise e-payment vouchers for the amount payable to the contractor (Net payable to the contractor is the gross amount less statutory deductions).
- Forward audited payment vouchers to Cash Office for e-payment.

3.2.1. Advance payment to Contractors

The Public Procurement Act allows for payment of mobilization fee of not more than 15% that may be paid to a supplier or contractor as following:

- In the case of National Competitive Bidding, an unconditional bank guarantee issued by an institution is acceptable to the University.

- In the case of International Competitive Bidding, an unconditional bank guarantee issued by a banking institution is acceptable to the University.

3.2.2. Payment of Mobilisation Fee

Contractor gets Advance Payment Guarantee (APG) from the bank and presents same in support of request for the mobilisation fee. When it gets to Bursary, the authenticity of such APG is confirmed at the Bank.

After such confirmation, voucher will be raised and sent to Internal Audit Unit.

When the voucher has been audited, it comes back to Creditors, Debtors & Advances Unit where it will be sent to Treasury for payment.

3.2.3. Loans and Advances

Loans and advances are facilities granted to staff either as welfare, or, to assist in furthering a particular course or for the purchase of specific item for official use.

These include: Salary, Rent, Touring Advances, Land & Housing Loan and Research Advances.

Relevant documents must be properly filed in the affected staff files accordingly. It must be processed on concerned member or personal staff file.

3.2.4. Salary Advance: This is granted to a member of staff that applies for the facility, and it is an aggregate of 3 months basic salary payable over 12 equal installments.

3.2.5. Rent Advance: This is granted to members of staff that actually apply for it and it is on half yearly basis. This is payable along with the first salary of new financial year and the second tranche in the mid-year.

3.2.6. Research Allowance: This is a facility available solely to the academic staff. It is equally applied for along with the topic of such Research.

3.2.7. Touring Advance: It is an advance given to a staff embarking on official tour. Touring advance is to be retired at the end of such tour.

3.2.8. Home Ownership Scheme: It is a form of loan granted by the University to interested and qualified members of staff to enable such to purchase a land or own a house of their own. This facility is

repayable in 5 years on regular monthly installment deductions from salary based on agreed repayable policy of the University.

3.3. Processing Procedure

3.3.1. Touring Advances

The necessary documents of the advances are raised and processed at the Expenditure Control Unit of the University. It is only the retirement aspect that concerns the Creditors, Debtors and Advances Unit.

- At retirement, the papers will be sent to the Creditors, Debtors and Advances Unit. On receipt of the documents, check to make sure that only original receipts are attached and the amount is not less than the advance collected.
- Attach the earlier copy of the advance sent to the Unit and input accordingly.
- Input into the computer the expression "under processing" or "to audit".
- Send the papers for retirement to Internal Audit Unit for certification, if queried at the Audit Unit, mark it "queried" and send back to the staff concerned to address the auditor's observation. If certified, mark it 'cleared' on the computer journal and raise certificate which is in duplicate. Send a copy of the Clearance Certificate to the member of staff concerned.

- Where there is overspending, an approval is required from the relevant authority to process refund.
- Where a member of staff fails to retire within the stipulated period, send a letter of reminder. If there is no response, Salaries and Wages Unit is informed to commence deduction from the salary of the concerned staff for the purpose of recovery.

3.3.2. Salary Advance

- The Unit receives an approval memorandum duly authorised by appropriate authority.
- Request for the files of members of staff that applied for the Facility.
- Re-compute the salary to ensure that the net pay is not less than 1/3 of the gross pay.
- Prepare e-voucher and send to the head of the Unit who cross checks and signs accordingly. Thereafter, send the e-voucher to Salaries and Wages Unit where the deductions will be noted on the payroll.
- After noting on the payroll, send to Internal Audit Unit for verification and certification.
- After certification by the Internal Audit Unit, send to Cash Office for payment.

- At the end of the month, obtain print-out of salary advances and home ownership scheme from EDP Unit.
- Check the print out for correctness and completeness against the one prepared in the Unit. This is to ensure proper monitoring of the loan.

3.3.3. Disengagement Clearance Certificate

On receipt of disengagement letter from Human Resource Management Department (HRMD), the following activities will be carried out:

- Obtain the copy of last payslip from EDP and personal file of concerned staff from the Filing Room.
- Check the loans & advances schedules to confirm the true standing of the staff.
- If the staff is not indebted, issue a Clearance Certificate to be endorsed by the Head of the Unit. Where the staff is indebted, contact such staff to settle before issuing the Clearance Certificate.
- Send the Clearance Certificate to Human Resource Management Department (HRMD), for further action.

3.3.4. Tax Matters

The Unit deals with taxes deducted from creditors such as VAT and Withholding Tax (WHT).

- Collate copies of mandate with schedules used for the payment of VAT and WHT
- Prepare a monthly schedule of such payments
- Liaise with banks for the e-tickets of tax paid.
- Forward the e-tickets obtained to the tax office, to obtain original receipts.
- Arrange the tax receipts and make them available to tax payers as well as tax officials.

3.4. Unilag Stores

The various stores in the University were established for the purpose of stocking items needed for day to day use in the office. Stock items in any particular store are peculiar to the need of the department where it is domiciled. For example in the case of DLI, the items include modules for students. The stores also serve as suitable places for safe keeping of non-stock items bought that may not be for use immediately.

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

Receipt of Goods:

- Receive goods supplied alongside with a representative of the user department after confirming that their specifications are in agreement with what was ordered.
- Arrange for the Internal Audit Unit to verify the goods supplied.
- Raise Store Received Note (SRN) for all items received.
- Record SRN on the Bin Cards to reflect new stock balances
- Stack goods in their designated positions in the Store.
- Send all audited invoices, delivery note and SRN to the Bursar's Office or the accountant in charge of the department where the store is domiciled for the purpose of processing them for payment to the supplier.

Replenishment of Stock

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

Stores Procedure for Stock Taking Exercise

The stores procedure for stock taking exercise is as follows:

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

- (v) The following persons sign the stock sheets used for the exercise:
- (a) The Storekeeper
 - (b) The leader of the Stock takers
 - (c) The Internal Auditors
 - (d) The External Auditors
- (iv) Copies of the stock sheets are distributed to the following:
- (i) The External Auditors
 - (ii) Internal Auditors
 - (iii) The Bursary (Final Accounts Unit)

3.5. Students' Accounts & Statistics Unit

This is a Unit that has interface with the students of the University for their financial matters. The functions of the Unit consist of the following:

3.5.1. Students' Registration

- **Postgraduate Students**

Check online receipts generated by students with the bank information on our system. This is to confirm correctness and completeness of fees paid.

Sign and stamp "paid" on student registration course form in quadruplicate for fresh students and triplicate for returning students.

Any student that is unable to pay fully would have to download a part payment form from the University website for the approval of the Dean of Postgraduate School of Studies (SPGS) and the University Bursar. If the student obtains approval, the Unit computes the amount payable by the student (which consists of 50% tuition fee plus 5% surcharge and full obligatory fees). The balance must be settled not later than the end of 2nd Semester.

- Where a student makes part payment, check to ensure that appropriate form is completed by student and approved by Dean of SPGS and the University Bursar.
- Then stamp registration form "Fees partly paid" where there is part payment and "Fees fully paid", where fees are fully paid.

- **Undergraduate Students**

The same procedure as for postgraduate students except that, no part payment is allowed.

Sign and stamp student's library cards after confirmation of full payment. Each student's ledger is updated automatically on-line after payment to reflect current status.

3.5.2. Students' Final Clearance

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

3.5.3. Payment to Students

Payments are made to students in respect of the following:

1. Endowment funds
 2. Scholarship/prizes
 3. All refunds/reimbursement
 4. Bursary award
 5. Work study
- Ascertain that there is due authority/approval for payment to be made.
 - Forward to Expenditure Control for commitment
 - Raise payment voucher (PV)
 - Forward voucher to Audit Unit for verification
 - Forward audited PV to Cash Office for e-payment
 - Photocopies of audited PV are filed into appropriate files before they are sent to Cash Office for e-payment.

3.5.4. Payment of Various Claims to Students

These claims include payment of Bursary awards, refund of school fees due to wrong payment, overpayment or withdrawal from a programme, refund of hostel fees due to non-allocation of bed space, etc.

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

3.5.5. Preparation of Sponsorship Bills

- Bills are prepared in response to various sponsors' requests on behalf of beneficiaries.
- Send prepared bills to sponsors through Dean of Student Affairs Division.

3.5.6. Preparation of Foundation Programme Accounts

- Obtain the list of registered students and reconcile with the faculties.
- The lists are reconciled with the various bank statements to ensure that fees were fully paid.

- After the reconciliation, the accounts are prepared for each faculty concerned.
- Prepare annual income Statement for the programme.

3.6. Electronic Data Processing Unit

This is the main data processing unit of the Bursary. It houses the main server that all slave servers in other units of the department are hooked to. General ledger and payroll software reside in this server. The back-end operation and maintenance of the Department's database are carried out by the personnel of the Unit. The job procedure of the Unit is as follows;

3.6.1. Ledger Posting

The Unit operates on a specific accounting software package. With the platform provided for, the operational units of the department, data are collated in a soft format.

The procedure for ledger posting is as follows:

- Download soft copy of data from media or any other location specified by the operational unit.
- Prepare data according to the specified format on software database.
- Save data to a Line-Sequential file for easy access, i.e. **c:\rcltn\cbdef1.prn**
- Open the **tetralink** module on software database.

- Select the **defined name** of the appropriate file to be populated.
- Click [OK] to upload the transactions.

3.6.2. Generation of Salary Report

Reports are generated for salaries and pensions monthly by EDP Unit. Using the platform provided on the payroll software, data are captured into the database.

- Capture personnel and basic information details through the personnel module
This includes;
Employee identification number,
Name
Department
Faculty
Grade and Level
Bank Details
Pension Fund Administrator
- Supply Payroll transaction details through the payroll module:
Pay transaction details include:
Transaction code
Occurrence period
Counter commencement date
Gross amount

Monthly amount.

NB: It is important to note that some data items are software/Administrator dependent. These items must have been defined globally or derived through embedded codes in the software.

3.6.3. Reporting

Depending on the requirements from user department, the reporting module of the software in use has adequate facilities to generate reports in both hard and soft copies.

- Identify and classify users request into Ledger and Payroll
- Login unto the appropriate platform
- Generate report through the reporting module
- Save softcopy into appropriate location or send via e-mail to recipient
- Despatch hardcopy to recipient
- Convert numerical report to excel format for further analysis and referencing.

3.6.4. Generation of e-payslips

- Generate pay sheet.
- Upload into University database
- Subsequently send to staff e-mail address

3.6.5. Backend Correction of Errors on Ledger Software

- Identify the error and determine the database table involved
- Open the Structured Query Language(SQL) Enterprise Manager
- Copy the table to another location as backup to avoid loss of data during Data Manipulation operation.
- Select the appropriate table by issuing the appropriate SQL Command
- Filter the affected data with the criteria embedded in SQL command
- Confirm the effectiveness of operation by login into the Sage Line 1000 software platform.

3.6.6. System Administration

This involves Backup Operation of the accounting system at the close of business.

- Ensure that all users have logged out of the system
- Insert the Backup media
- Login into the SQL Enterprise Manager
- Right Click on the Database folder
- Select backup database
- Complete the Backup form displayed and click [OK]
- For payroll backup, select and copy the payroll folder on the root directory of the server

- Paste unto the target media
- Keep back up discs in location outside EDP.

3.6.7. Ad Hoc Activities

Software, Hardware, and Network Problems and Diagnosis

- Troubleshoot to identify problems
- Fix problem by replacement of faulty parts or reinstallation of software where necessary.
- Report difficulties to the Bursar through the Head of Unit for assistance from CITS or software/hardware vendor(s)

3.7.1. Reconciliation Unit.

This is the Unit that is charged with the responsibilities of reconciling all the University's bank accounts. It also has the responsibility of investigating any error discovered in the course of reconciliation and reporting.

3.7.2. Reconciliation Procedures

- Collect hard and soft copies of the original Bank Statements from banks.
- Convert the collected Bank Statements into software format
- Upload the software format into the server.

- Print the Bank Reconciliation Report containing items on both the Bank Statements and the Cashbook not deleted automatically by software.
- Match the items on the Cash Book against those on the Bank Statements through the use of receipts, payment vouchers, detailed Cash Book and original Bank Statements.
- Raise documents (Receipts, Payment Vouchers etc.) as and when necessary and use appropriate account codes.
- Delete all matched/identified items on software.
- Print ledger accounts and new Bank Reconciliation Report to compare their balances.
- Investigate further the reasons for differences in balances (if any)
- Carry out necessary adjustments by raising Journals, Payment Vouchers, and Receipts etc
- Print new sets of Bank Reconciliation Report for the preparation of Bank Reconciliation Statements.
- Prepare and sign Bank Reconciliation statements by the schedule officer.
- Check and sign the Bank Reconciliation Statement by the Head of Unit.
- File the signed Bank Reconciliation Statements into the appropriate Bank Account's file.

- File hard copies of Bank Statements, Form M and receipts raised in the course of reconciliation of all accounts.

3.7.3. Ad-hoc Duties

- Assist the Head of Final Accounts Unit in attending to the University's External Auditors, officials of Accountant General of the Federation, Auditor General for the Federation and NUC.
- Attend to staff of other units under Bursary (i.e. Cash Office, Students' Account, Budget, Final Accounts, and Creditors & Advances etc.) and other staff of the University when necessary.

3.7.4. Format of Bank Reconciliation Statement for the month of

	N	N
Balance as per cash book		X
Add: Unpresented Mandate	X	
Credit in bank not in cashbook	X	
	X	X
		XX
Less: Debit in cashbook not in bank	X	
Debit in bank not in cashbook	X	
		XX
Bal as per Bank statement		XXX

Cash Book (summary)

Balance b/f from (previous month)		X
Add: lodgment	X	
Bank Interest	X	
	<u>XX</u>	<u>XXX</u>
Less: payment	X	
Bank charges	X	
	<u>XX</u>	
Balance C/F		<u>XXX</u>

Prepared By:

Designation:

Signature:

Date:

Checked by:

Designation:

Signature:

Date:

CHAPTER FOUR

DIRECTORATE OF TREASURY

4.0. Cash Office

The Cash Office is the main treasury unit of the Bursary. It does the following jobs:

1. Collection of money and issuing of receipts.
2. Making payment to vendors, contractors, staff, students and government agencies.
3. Handling of foreign transactions.

4.1.0. The Steps Involved in Collecting and Issuing Receipts

- Cash Office has cashiers, which receive cash or bank draft and issue receipts. The maximum limit of cash payable at Cash Office is One Thousand Naira (N1,000.00) or as maybe determined from time to time, while any amount above that is paid into the University's bank account. For money received directly into the University's appropriate account, the Head of Cash Office confirms the amount credited and Receipt is issued.
- At the end of each day, the cashier makes returns to the cash officer who confirms the total amount received by each cashier by checking the total amount on receipt-books with the physical cash.

- Cash officer hands over the amount collected by the cashier to the Banking officer who keeps it in a safe and takes same to Strong Room until the following work day.
- Banking officer brings out the cash box from the Strong Room, analyses the previous work day's takings and lodges into the bank intact.
- On return from the bank, the cash officer checks the deposit slip against takings analysis to confirm completeness and correctness of lodgement.
- Receipts are issued to students and non-students for monies received. The Cash Office has access to students' portal through which it generates the necessary information relating to students who have paid their fees.
- The officer in charge of students' receipts download the student information from the internet and export it into excel format, edits it and generates the receipts.
- The student receipts generated are collated according to department and sent to the appropriate department for the students to collect.

4.1.1. E-Payment Procedure

All payments are made through the e-payment system as directed by the Accountant-General of the Federation. Payments are made

subject to cash availability, hence payments are made giving attention to priority of expenditure and chronology of payment vouchers.

- Payment vouchers raised in favour of vendors, contractors, staff and students are received from various units.
- The vouchers are recorded into the incoming payment vouchers register and stamped to indicate the date the vouchers get to Cash Office.
- The vouchers ready for payment are given to the mandate writers to process through the e-payment system.
- Vouchers to be paid are placed on draft mandate showing the following features;
 - i. Name of the beneficiaries
 - ii. Bank details
 - iii. Amount to be paid
 - iv. Purpose of payment
 - v. Mandate number
 - vi. Unique number of each item for payment on Mandate
 - vii. Authorised signatories.

These draft mandates are checked and verified for correctness by an officer who passes them to the Head of Cash Office for fund allocation regarding each mandate.

- The draft mandate is processed into original mandate which carries some unique features.
- The mandates are sent for signature. The signatories are categorised into groups 'A' and 'B'. A combination of any one from 'A' and 'B' makes a valid authorisation
- The Cash Office receives the signed mandate and saves the content in a non-rewriteable disc before the banking officer takes it to the bank for payment.
- Receipt is issued for any returned mandate based on the bank's advice.
- The receipt issued for any returned mandate, along with a copy of the bank advice, is sent to the unit that originated the payment for reprocessing.

4.2. Payment on Government Integrated Financial Management Information System (GIFMIS) Platform

GIFMIS was implemented by the Federal Government to improve public expenditure management processes and enhance greater accountability and transparency in all government parastatals.

The Federal Government releases Personnel, Overhead & Capital subventions to Ministries, Department, & Agencies (MDAs) based on the amount allocated in the budget. These releases come in the form

of a warrant and are shown against the MDAs account on the GIFMIS platform.

For payment purposes, the GIFMIS platform has a specific format and a different bank code from what is being used in the University for posting. When the payment voucher is received by the Cash Office (along with the soft copy), the initiator or desk officer converts the receiving bank name for each beneficiary to the acceptable bank code and aligns the payment to the acceptable format.

The desk officer then checks the GIFMIS platform to confirm the release of the warrant. Once the warrant has been confirmed, the officer then imports the payment unto the platform and submits. It must be ensured that the amount paid or imported does not exceed the budget line indicated on the platform.

The first approving officer is then alerted of the job that has been submitted for review and authorisation. Once the officer approves the transaction, it goes to the second approving officer for approval and finalisation.

4.3. Foreign Transactions

4.3.1 Payment of Honoraria

- A memo from Expenditure Control Unit is received requesting for processing of honorarium to External Assessor.
- Proceed to Academic staff Unit (ASU) to obtain relevant information about the External Assessor and his candidate for assessment.
- A Letter is written to the bank, requesting for payment of honorarium to the assessor, a bank form is filled and signed by two signatories.
- The form is taken to the bank for payment. After payment within a week, a telex copy will be given by the bank as an evidence of payment to the External Assessor.

4.3.2. Payment for Spare Parts

An invoice from the supplier is attached to the VC's approval from the department, duly committed and audited.

The invoice attached must be valid for the next six months (6) and contains the following:

- The name of the manufacturer/supplier
- The address, telephone, fax, and e-mail of the manufacturer/supplier
- The description, quantity, and size of the items to be purchased
- The unit price/kg/grams/size

- The country of origin
- The country of destination
- The airport or seaport
- The manufacturer's bank details.

The bank form is filled with a letter duly signed by two signatories and it is sent to the bank.

- A telex copy issued by the bank should be forwarded back to the University as proof of payment.

4.3.3. Payment for Importation of Goods

- A memo from the Expenditure Control Unit with the VC's approval for payment is received. An invoice from the supplier and an Advance Payment Guarantee from the bank are attached to the memo.
- Form 'M' is duly filled with all the specifications of the goods.
- An Insurance Certificate is also attached and various forms from the bank are also filled.
- A covering letter and Form 'M' with other bank forms are duly signed by the authorised signatories.
- The form M is sent to the bank for payment. When goods arrive, the Bill of Lading, Custom Duties Certificate, Excise Duty Certificate and other certificates are duly forwarded for clearing of the goods by the shipping company/cargo company.

4.3.4. Process for Opening of Letter of Credit (LC)

A Letter of Credit is a payment undertaking given by a bank (issuing bank) on behalf of a buyer (applicant) to pay a seller (beneficiary) a given amount of money on presentation of specified documents representing the supply of goods within specified time limits. A letter of credit is an obligation taken on by a bank to make a payment once certain criteria are met. Once these terms are completed and confirmed, the bank will transfer the required fund. This is to ensure that payment will be made as long as the services are performed.

Documents must conform to terms and conditions set out in the LC. LC is usually issued by banks or other financial institutions. Though some credit worthy financial service companies, like insurance companies or mutual funds, might issue LC, under certain circumstances, however, University processes LC through the banks only.

LC accomplishes its purpose by substituting the credit of the bank with that of the customer, for the purpose of facilitating trade.

There are basically two types: Commercial and Standby. The Commercial Letter of Credit is the primary payment mechanism for a transaction, whereas the Standby Letter of Credit is a secondary

payment mechanism. The University only processes the Commercial Letter of Credit which is the Irrevocable Letter of Credit.

Irrevocable Letter of Credit only allows change or cancellation of the LC by the issuing bank after application by the buyer and approval by the beneficiary.

Documentation

In order to receive payment, the beneficiary must present documentation of completion of their part in the transaction to the issuing bank. The documents that the issuing bank will accept are specified in the letter of credit, but may often include:

- Invoices
- Government Documents such as licenses, certificates of origin, inspection certificates, embassy legalisations, and phytosanitary certificates
- Shipping and Transport Documents such as Bills of Lading, Airway Bills, etc.
- Insurance policies or certificates (but *not* cover notes).

Procedures for Opening Form M

The invoice attached must be valid for the next six month (6) and contains the following:

- The name of the manufacturer/supplier

- the address, telephone, fax, and e-mail of the manufacturer/supplier
- The description, quantity, and size of the items to be purchased
- The unit price/kg/grams/size
- The country of origin
- The country of destination
- The airport or seaport
- The manufacturer's bank details. A bank form is filled depending on the bank, a bank form is filled with a letter duly signed by two signatories and is sent to the bank.
- A telex copy issued by the bank should also be forwarded back to the University as proof of payment.

4.3.5. Tertiary Education Trust Fund (TETFUND) for Academic Staff Training & Development

Form A is duly filled and signed by authorised signatories. A letter from the University is also attached to the form A, with the student's copies of Visa page and data page of international passport, undergraduate certificate, master's certificate, school admission letter indicating matriculation number. In case of a female staff, change of name, marriage certificate or newspaper publication is required. This is sent to the bank for payment and a telex copy has to be issued as evidence of payment.

4.3.6. Procedure for Opening and Closing of Bank Accounts

- This is processed on basis of necessity and appropriate Vice Chancellor's approval is obtained to open the account.
- Bank account opening forms are collected from the banks
- Forms are filled with two passport photographs, of each signatory nominated, then, attached with any form of acceptable identification for the requested signatories to the account; duly thumb-printed.
- A letter is written to the bank stating who the signatories to the accounts are in each category of 'A' and 'B'.
- The bank account opening forms filled with the letter duly signed by the Bursar and the Vice Chancellor are taken to the bank.
- When there is change of signatory to the account, the banks are notified in writing with a new account opening form completed with the details of the new signatories. These procedures apply in case of both commercial banks and the Central bank.

4.4. Investment Unit

This Unit deals with the investment of funds especially funds meant for endowment and prizes.

- Cheques for prizes and endowment from donors are received from the Office of Advancement

- The cheques are lodged into the bank through the Cash Office
- A letter is written to the bank requesting it to transfer the accumulated fund to either a term deposit account or purchase of Treasury Bills depending on the rate, amount or duration of the deposit.
- The rate of interest is usually reviewed with the banks by the Bursar using prevailing market rate as benchmark and a letter is written from time to time as the need arises to review the rate of interest offered.
- Certificate of Deposit received from the banks, are checked for correctness after placement and filed as appropriate.
- A schedule is prepared to monitor movement of funds, maturity and roll over.
- Journal vouchers and receipts are raised to reflect movement of funds and interest accrued. These are sent to the Reconciliation Unit for posting into the Cash Book.
- Prepare financial statement for the Advancement Board and Donors as the need arises.

CHAPTER FIVE

5.0. Other Collection Centres

5.1. Self Accounting Income Generating Units

A Self Accounting Unit has full control over all its accounting records. The Unit relates with the Office of the Bursar through the preparation of reports. A Self Accounting Unit will be an Income Generating Unit which can incur expenses as well as accumulate assets and liabilities. It should have adequate qualified personnel and should be operating adequate functional system of internal control as applied in the University.

The accounting procedure of these units is as obtained in the main Bursary of the University except in some few peculiar units. These peculiar units are as follows:

Human Resources Development Centre
Unilag Consult
Distance Learning Institute
International School
Staff School

The specific procedure for the above peculiar units is as follows:

- **Report**

Prepare reports as may be required.

- **Receipts**

Follow the same procedures as in the main Bursary.

- **Treasury**

Follow the same procedures as in the Treasury Unit of the main Bursary.

5.1.1. Expenditure

Follow the same procedures as in the main Bursary.

- In HRDC, requests from programme coordinators are processed on the basis of approved budget and income received.

5.1.2. Salaries & Wages

Follow the same procedures as in the main Bursary.

5.1.3. Final Accounts

Follow the same procedures as in the main Bursary.

5.1.4. Reconciliation

Follow the same procedures as in the main Bursary.

5.2. Distance Learning Institute (DII)

5.2.1. Income

- Registration of students is online as it is done in the main Students' Accounts Unit of the Bursary.

5.2.2. Store Operation

- **Needs Identification:** Aside from the replenishment of existing stock through the use of maximum, minimum and re-ordering level methods, the Store Officer gets to know about the need of the new stock item when a request is made from the user's department.
- **Sourcing:** Sourcing for the right quality, price and the delivery time is done through market surveying and calls for quotations from the registered University contractors/suppliers. Recommendation is thereafter made to the Director through the Head of Accounts Unit for consideration. This applies to cleaning materials and office consumables.
- **Books/ Modules:** This is normally replenished when the stock level reaches re-order level.
- **Store Received Note:** This is the document issued when goods are supplied to the store. The original copy together with the

supplier invoice and delivery note are sent to the account section to enable settlement of the supplier's bill.

The green copy goes to the final account section to facilitate posting into the creditors' ledger.

- **Store Requisition Note:** The user department requests for materials from the store by filling a store requisition note. It states in detail the item and the quantity required by the requisitioner(s) duly approved by the Director (DLI).
- **Store Issue Voucher (SIV):** On presentation of duly approved requisition to the Store Officer, an S.I.V. is raised for the goods issued and signed for by the collector. A copy (green copy) is sent to the final accounts for posting.
- **Store Valuation/Costing:** The costing method that is adopted when issuance of stock item is made is First-in-first-out (FIFO). This also applies during stock taking or stock valuation.
- **Collection of Modules (Course Materials):** Each student collects requisition form from the store to apply for available modules. The completed form is returned to the store with photocopies of the student's school fees receipt and identity

card. The Store Officer checks to confirm the student financial status through the computer system and issues module accordingly. Posting is thereafter effected in the students' record in the store.

- **Bin Card (Stock Card):** The Bin Card is manually kept for the recording of daily stock transactions (Receipts and issues of stock). It shows the position of each item of stock (balance).
- **Periodic Stock Checking:** This is done occasionally by the Store Officer to ensure that proper records of stock are maintained.
- **Annual Stock Taking:** This is an exercise that is jointly done by both the External and Internal Auditors at the end of each financial year. The objective is to determine the actual stock position as it will appear in the year's balance sheet.
- **Students' Clearance:** This is done when students must have completed their programme and want to collect either "To Whom It May Concern" or "Certificate" from the University. The Store Officer checks the student's book/module collection record to ensure that outstanding in respect of books are duly

paid for before they are cleared. Finally, a clearance slip is issued to them from the store.

5.3. Human Resources Development Centre (HRDC)

Budget

Prepare annual budget in line with call circulars. Approved budget is recorded on the expenditure summary sheets. Budgets are prepared for each programme.

Preparation of Programme Budget

The budget for programme is based on anticipated revenue from students and expenditure. The budget is divided into three heads:

- **Revenue:** This is broken down into, tuition and other incomes. The other incomes are made up of the obligatory fees, teaching practice, project supervision, course materials, handbook etc.
- **Expenditure/Running Cost:** This is limited to 10% of tuition (9% for running cost and 1% for programme monitoring)
- **Net Income.** This represents the difference between revenue and expenditure.

Procedure for Programme Closure of Account

- Receive advice from programme coordinator to close account.
- Generate income statement for the period.

- 1% monitoring and 9% running cost are deducted from actual income (tuition) generated by the programme to arrive at the net income.
- Appropriate net income is shared in accordance with Council approved ratio, to participants, departments, faculty and the University.

Programme Performance Statement

This statement shows the financial performance of the programme for an academic session. The statement shows the approved programme budget, actual expenditure incurred and the actual income generated for the session.

Report

Prepare report as may be required.

5.4. University of Lagos Consult (UNILAG CONSULT)

University of Lagos Consult is a consultancy unit of the University.

5.4.1. Main Budget of the Unit

The annual budget is prepared by the accounts unit with inputs from the Managing Director and other sub-unit heads when Budget Call Circular is received. The prepared budget is presented to the Board for approval before final approval by University management. The

approved budget received from the Bursar is recorded on the expenditure summary sheets.

5.4.2. Procedure for the preparation of Projects' Budget

- Receive approved project Budget from the Managing Director.
- Create project account for each project.
- Prepare project income statement
- Accumulate Income and expenditure to the project account.
- Appropriate project net income in agreed ratio/formula.

Receipts

Follow the same procedures as in the main Bursary.

5.5. University of Lagos Staff School

The staff school is a unit of the University that handles pupils from Basic 1-6.

5.5.1 Receipt of Income

- Parents obtain draft from any CBN approved bank in favour of Unilag Staff School (for school fees) or pay directly into the School's specified bank account.
- Parents bring the bank draft or teller (used in depositing money into the school's account) to the Accounts Section where Receipt is issued in exchange for the drafts or tellers by the Receiving Cashier.

- Issue Receipts for all revenue.

Other Receipts

- Follow the same procedures as in the main Bursary.

Payment Procedure:

- Follow the same procedures as in the main Bursary.
- Prepare debtors schedule and advise the Head of School as appropriate.

5.6. International School Lagos (ISL)

Receipt Procedure

- Bank drafts are received from parents or students every term.
- Receipts are issued for bank drafts received
- The School's bank account number and name are written at the back of the draft.
- Tellers are filled and lodged into the bank.
- Prepare Debtors Schedule and advise the Head of School as appropriate.

Payment Procedure:

Follow the same procedures as in the main Bursary.

Non Self Accounting Units

These are units that do not fall under definition of Self Accounting Units.

5.7.0. Unilag Health Centre

5.7.1. Receipt

All receipts are lodged at Cash Office for processing. These include:

- Capitation Fee
- Medical Screening Fee
- Miscellaneous receipts

Payment

Payment procedure is the same as in Expenditure Control Unit of the Bursary. It requires further processing in the Expenditure Control Unit.

The following payments are processed through the Expenditure Control Unit :

- LPOs
- Cash Advances
- Reimbursements
- Tertiary Institutions Social Health Insurance Plan (**TISHIP**)
Capitation
- Refunds
- Contract Payment

5.8. Unilag Sports Centre

5.8.1. Receipt

- All receipts from the use of sport facilities are paid to the bank
- Bank tellers of all payments are forwarded to the Cash Office for further processing.

5.8.2. Expenditure

These are handled by Expenditure Control Unit of Bursary

5.9. University Library

The University Library receives cash for services it renders to external users e.g Cloak Room, student registration and clearance. The following are the job procedures;

- Issue miscellaneous receipts for all revenue collected.
- Forward miscellaneous receipts and takings to Cash Office for lodgement.

5.10. Auditoria Management Unit

- Issue miscellaneous receipts for all revenue collected
- Forward miscellaneous receipts and takings to cash office for lodgement

5.11. The University of Lagos Radio (UNILAG RADIO)

The activities in this Unit include the following procedures:

Income

- Collect Daily Rundown of programmes
- Raise Certificate of Performance (COP)
- Prepare invoices based on COP
- Collect bank teller and draft and forward them to Cash Office for official receipts.
- Monitor broadcast on the Station to ensure programmes are accounted for in the daily run down.
- Compile reports as may be required.

Expenditure

Expenditure aspect of the job are handled by Expenditure Control Unit of Bursary

5.12. Confucius Institute

The Accounts Section performs for the Institute same functions and procedures as in Expenditure Control Unit (2.3.3).

5.13. Unilag Property Development and Investment (PDI)

- Collect bank drafts and bank tellers from University tenants.
- Record tellers and drafts in a designated or appropriate register.
- Forward bank drafts and tellers to Cash Office to obtain receipts.

5.14. Institute of Continuing Education (ICE)

Receipts: Same Procedure as obtained in Students' Account Unit and Human Resources Development Centre.

Expenditure: Same procedure as obtained in Human Resources Development Centre.