



ACCOUNTING GUIDELINES

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TO BE USED BY CCB'S OFFICES AND PROJECT PARTNERS

A supplement to guidelines as per employees' job description

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SPECIAL NOTE:

(i) These guidelines are intended to summarize current practice-requirements, in the financial operations of CCB, its member organizations and project partners.

(ii) Members of CCB and project partners involved with the implementation of: *Delivering V2020 in the Caribbean*’ (EC Contract No. DCI-NSA PVD / 2009 / 222-937) are requested to adapt these guidelines as the minimum accounting standards re the expenditure of funds provided to support the implementation of the project. As such, these guidelines will be part of the brief to the project’s auditors, when the consult with the representatives of the Council’s Secretariat, prior to embarking on audit visits to project partners.

(iii) All members of CCB are invited to adapt these guidelines as the minimum accounting standards, re the receipt, control and expenditure of funds by their organization.

1. Accounts Receivables:

1.1 Acquire and use invoice book in the recovery of payments outstanding to the organization;

1.2 Acquire & use organization’s receipt book, for all payments by cash or cheque;

1.3 Ensure that all direct payments to the organization’s bank account are recognized to the sender or payee;

1.4 Lodge all receipts by the following work-day;

1.5 No payments to the organization or any allied program or project should be spent before it is lodged to the organization’s account;

1.6 All unrecognized payments to the Organization’s bank accounts should be brought to the bank’s attention; No such receipts should be spent until it is established that the funds were intended for the use of the organization;

1.7 Payments from one of the organization’s account to another of the organization’s accounts should be recognized (either) as loans or grants.

1.8 All credits to the organization’s account(s) should be recognized in: The cash book (where applicable) and all reports of income and expenditure, including the annual audit.

1.9 Receipts in valuables shall not be treated as a credit unless the external auditors recognize them as such.

1.10 A register shall be kept of all items received or purchased by the organization.

1.11 No accounting records, equipment or item of furnishing shall be disposed of unless they are listed and the planned disposal approved for write off by the organization's auditors and approved by the officers or general membership of the organization.

1.12 In the instance of clutter or a nationally recognized emergency; a list of disused or damaged equipment or furnishing (to be discarded) may be prepared for the consideration of the: Most senior paid employee in the organization, along with the Treasurer and Chairperson-President. Only those items which have the unanimous approval of the 3 officials of the organization may be discarded. The list of items so discarded must be presented for inclusion in the next audit by the organization's duly appointed auditors.

2. PAYMENTS BY PETTY CASH:

2.1 There shall be a Petty Cash Fund, not exceeding the equivalent of US\$200.00 (two hundred) in the applicable local currency; or an amount arrived at by written mutual agreement between the funding organization providing the money and the organization charged with the management of the petty cash fund.

2.2 The Petty Cash Fund shall be operated on an impressed system;

2.3 The Fund shall be drawn on the identical current account each time;

2.4 The Petty Cash Fund shall be held by the employee in charge of the day-to-day operations of the organization's office;

2.5 The individual responsible for the petty cash fund shall not be the same person responsible for preparation of the Monthly Financial report and the control and preparation of petty cash vouchers.

2.6 The petty cash shall be held in a specific container (box) and kept in a secure place;

2.7 Petty cash – Materials & implements:

The most senior paid employee in the organization, shall ensure the availability of the following:

2.7.1 Pre-printed petty Cash Vouchers;

**2.7.2 A standard format for the reconciliation of the Petty Cash Fund;
(Projects being funded by or through CCB-Eye Care Caribbean shall use the format approved by CCB-Eye Care Caribbean)**

2.7.3 A Petty Cash book.

2.7.4 Technical provisions for the inclusion of petty cash expenditures in the monthly & annual financial reports;
(Projects being funded by or through CCB-Eye Care Caribbean shall use the technical provisions required (by CCB) for installation and use with the QuickBooks system of accounts)

2.8 Petty cash –

Prerequisites for payments:

2.8.1 Available cash (in hand) to support intended payment(s);

2.8.2 Clear indication that the activity for which payment is sought is valid and consistent with the goals of the Program Office;

2.8.3 A valid 3rd party receipt, with clear markings to indicate: source, date, amount paid and goods-services received.

2.8.4 A valid claim for reimbursement of payments made on behalf of the organization; (Or) an honor statement duly signed & dated by the employee requesting reimbursement of moneys spent; & approved by the management personnel having day-to-day responsibility for the operations of the organization's office.

2.9 Petty cash - Reconciliation of expenditures:

Prior to the replenishment of the Petty Cash Fund, and before the end of the current month, the employee responsible for the preparation of the organization's monthly financial report(s) shall:

2.9.1 Prepare and balance the Petty Cash Ledger, using the exact information taken from approved-used petty cash vouchers. In instance of funding by or through CCB-Eye Care Caribbean, The petty cash ledger shall be identical to the format provided by this organization.

2.9.2 The petty cash fund shall be replenished by the exact amount reflected in the petty cash ledger, being a total of all valid receipts for the period.

2.9.3 At about the same time, the employee responsible for the petty cash fund shall produce a hand-written reconciliation of the cash in hand, using the format included in the monthly financial report.

2.9.3.1 The reconciliation should include an accurate count of: Notes & Coins. The employee preparing the reconciliation shall make a dated & signed (hand written) copy of the reconciliation available to the employee responsible for the production of the monthly statements , for inclusion in the financial report(s)

2.9.3.2 The employee responsible for the production of the monthly financial statement(s) shall compare the signed hand-written reconciliation with the balance in the Petty Cash Ledger and the petty cash pan. Cash on hand+ expenditure for the period, shall be equal to the value of the petty cash fund.

2.9.4 Where: Cash on hand and amount spent do not equal the value of the petty cash fund, the matter shall be brought to the immediate attention of the most senior paid employee in the organization, or the organization's Treasurer and the imbalance resolved before replenishment of the fund.

2.9.5 The Most senior paid employee in the organization, or the Treasurer, shall take steps to ensure that any shortfall in cash on hand is repaid immediately & the accounting personal responsible for the preparation of receipts shall issue an official receipt to the person making the payment.

2.9.6 The information contained in the signed hand-written reconciliation(s) for each month, shall be used to prepare the electronic version of the petty cash reconciliation statement in the monthly financial report.

2.10 REPLENISHMENT OF THE PETTY CASH FUND:

2.10.1 The petty cash fund shall be reimbursed from the organization's active current account; or the current account holding funds being provided by the funding partner whose project is being supported by the fund.

2.10.2 The cheque reimbursing the Petty Cash Fund shall be drawn consistent with confirmed petty cash expenditures; with the signed petty cash reconciliation statement and associated receipts etc, serving as the requisite 3rd party document supporting the cheque requisition voucher on which the payment is initiated.

2.10.3 Petty cash cheques shall be written to a designated employee (normally the organization's bearer-messenger) who shall secure the cash & sign it over to the employee with responsibility for the petty cash fund.

2.10.4 A special "petty cash transfer" journal shall be established for that purpose. The column heads in the Petty Cash Transfer Journal shall include:

- * Date**
- * Cheque #,**
- * Paid to,**
- * Amount,**
- *Date cashed,**
- *date paid over,**
- * paid by,**
- *received by**

2.11 Petty cash - Custody of the Fund:

2.11.1 The employee with administrative or operational responsibility for the operations of the organization's Office, shall have custody of the petty cash fund;

2.11.2 In the event of illness or absences for periods of more than 5 days, arrangements shall be made by: The Most senior paid employee in the organization, (in her-his absence) The Treasurer, for the Petty Cash fund to be taken over by a suitable employee, pending the return of the substantive employee.

2.11.3 The employee assuming responsibility for the petty cash fund at any time shall not be the employee responsible for the preparation of monthly financial statements

3. PAYMENTS BY CHEQUE:

3.1 Excepting in the case of settlements by petty cash, all payments by the organization should be made from its active current accounts; and made payable to the individual or organization in whose name the applicable Performa invoice-receipt-claim is prepared, and only if the individual-organization in whose name the invoice-receipt-claim is written, is reasonably and or normally approved to supply such goods or service.

3.2 Where payments are pending, the requisite cash may be transferred from one of the organization's savings or current account(s) into the relevant current account(s) in order to facilitate the intended payment(s); All such transfers shall have the prior written approval of the Chairperson or Treasurer of the organization.

3.3 Over drafts shall not be an acceptable means of raising revenue to support projects being funded by CCB-Eye Care Caribbean.

3.4 Payments by cheque - Requirements for a smooth payment process:

3.4.1 A minimum supply of cheque payment vouchers, for each active current account (printed and bound in duplicates) in batches of at least 50 and in quantities not less than 3 months requirements. In the instances where projects or Programmes are being funded by CCB-Eye Care Caribbean, All reprints shall use the identical format & lay-out as the initial batch supplied by the Council.

3.4.2 A designated employee shall be responsible for the preparation of all cheque payment vouchers, using her-his own hand writing.

3.4.3 The employee responsible for the preparation of cheque payment vouchers, shall not be the same employee responsible for the writing of cheques.

3.4.4 All cheque payment vouchers should be checked and approved by (the most senior paid employee in the organization and at least one signatory signing on the cheque in question.

3.4.5 All cheques shall be written in the hand writing of the person responsible for the writing of cheques.

3.4.6 There shall be on hand, up to 3 months supply of cheques issued by the organization's bankers (specifically) for the purpose of making payments against the organization's current account(s).

3.4.7 The employee whose responsibility it is to write all cheques on behalf of the organization. Shall hold the supply of blank cheques.

4. CURRENT ACCOUNT PAYMENTS:

4.1 All payments on the organization's current account shall be supported by at least one of the following:

4.1.1 A valid 3rd party receipt, with clear markings to indicate: source, date, amount paid and goods-services received. (or)

4.1.2 an honor statement duly signed & dated by the employee requesting reimbursement of moneys spent, and backed by the requirements set out in section 4.1.1 above; (or)

4.1.3 Valid: and approved: Performer invoices detailing goods or services to be provided to the organization in return for the sums invoiced;

4.1.4 Internal authorization to make routine recurrent payments or recognized emergency procurements; Providing that all such procurements are supported by the requirements set out in section 4.1.1 above.

4.2 Preparation of the cheque requisition voucher:

4.2.1 When submitted for signing, each cheque must be accompanied by a duly completed & signed cheque requisition voucher, in duplicate;

4.2.2 Duplicate copies of completed cheque requisition vouchers (supported by the document(s) referred to at 4.1 above) shall be presented to both signatories, along with each cheque, being presented for signing. All spoilt cheque requisition vouchers shall be retained in the book of vouchers, and duly marked cancelled.

4.2.3 Recurrent payments such as salaries and emoluments should be guided by organizational norms, acceptable to modern and transparent accounting norms.

4.3 Preparation of cheques to be drawn on the organization's current account(s)

4.3.1 All un-used cheques shall be kept (by the employee responsible for writing cheques) in a locked (secured) location.

4.3.2 The details on the 3rd party document & the cheque requisition voucher should be summarized on the relevant cheque stub.

4.3.3 The amount on each cheque and the name of the payee must be identical to the amount(s) on the 3rd party document and the cheque requisition voucher, supporting the payment.

4.3.4 All cheques (drawn on the organization's current account(s)) must be signed by at least 2 of the organization's signatories.

4.4 Payment(s) by cheque:

All payees are required to:

4.4.1 Sign the designated space on a duly completed cheque payment voucher, indicating receipt of the cheque in question; or

4.4.2 Provide the organization with an official receipt in exchange for the cheque in question.

4.4.3 The officer responsible for writing cheques is required to certify that the intended payment is completed, by affixing her-his signature to the relevant cheque payment voucher, along with the (stamped or printed) word, paid.

4.5 Management of accounting documents

4.5.1 The most senior paid employee in the organization shall designate a member of the organization's staff as responsible for the organization's accounting records. The individual so designated shall have responsibility for facilitating the work of the organization's internal or external auditors.

4.5.2 The individual so designated, shall have day-to-day responsibility for the storage of & access to the organization's accounting documents.

4.5.3 At the end of each month, the employee so designated shall ensure the removal(from the cheque requisition book) the original copy of all cheque requisition vouchers, used in the previous month, and bind them as a single folder, along with:

4.5.3.1 Third party documents requesting payment;

4.5.3.2 Retired cheques;

4.5.3.3 & A copy of the bank statement for the month in question.

4.5.4 All canceled cheques shall be attached to their cheque requisition voucher, for ready inspection by: Internal & external Auditors.

4.5.5 All such bounded folders containing: original copy of cheque requisition voucher; retired and or cancelled cheque; applicable receipt-invoices; third party documents etc and the applicable bank statement, shall be held in a secure place; separate from the second copy of the cheque payment vouchers.

4.5.6 The folder(s) with all its contents shall be readily available to: The organization's officers, Internal and external auditors.

5 STOCK CONTROL:

5.1 There shall be three parallel systems of stock control: One for recurrent office supplies; Another for aids & appliances used by persons who are blind or low vision; & a separate system of control for: Lens, Frames, Frame cases & all other supplies, used in the fabrication & sale of spectacles & other optical devices.

5.2 The organization's finance or accounting employee shall have day to day responsibility for all 3 system of stock controls.

5.3 Acting in concert with the most senior employee in the organization's office; The organization's treasurer shall have overall audit responsibilities for all system of stock control; engaging acceptable methods of stock-taking and stock review, consistent with normal accounting practices and resources available to the organization.

5.4 There shall be at least one stock audit of all 3 stock systems each calendar year. The Treasurer, acting in consultation with the organization's most senior paid employee, need not give the Accounting or finance personnel, prior notice beyond one hour, of any intension to undertake a stock review.

5.4.1 All new supply shall be registered in the relevant stock control system.

5.5 Using the QuickBooks system of accounts, a running balance shall be maintained, indicating (among other indicators): Starting stock; Stocks used for the period; Stocks received; New balance, Unscheduled excess & unscheduled shortfalls.

5.6 All items released shall be signed for by the employee receiving the consignment, and counter signed by the employee making the release.

6. MONTHLY REPORTS & ANNUAL AUDIT:

6.1 At the end of each calendar month, the organization's accounting or finance personnel shall prepare (for the review of the most senior paid employee and the organization's Treasurer; (& the consideration of the officers of the Organization) a monthly financial report, including an accurate bank reconciliation statement, reflecting transactions on all the organization's active accounts. .

6.2 Where the organization is a project partner with CCB-Eye Care Caribbean, it shall submit regular and accurate monthly an annual financial reports to CCB by the 10th day of the following month; using templates provided by CCB and including up-to-date bank reconciliation statements.

6.2.1 At regular intervals or upon request, the organization will make copies of requested accounting documents available to CCB, providing the requested material is relevant to projects or other activities being supported by CCB.

6.3 Using the QuickBooks system of accounts, the organization shall ensure that its accounting records are current, to facilitate the timely annual audit of its books; and the submission of duly audited accounts to the officers and members of the organization.

End of guidelines

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(For use by CCB's offices and project partners.

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