



Finance Policy

19th July, 2019

FINANCE DEPARTMENT

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Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 2 of 19</i>


TABLE OF CONTENTS

S. No.		Page No.
PART 1: POLICY PREAMBLES		5-7
1.	INTRODUCTION	5
2.	PURPOSE	5
3.	OBJECTIVES	5
4.	SCOPE	5-6
5.	DEFINITIONS	6
6.	ROLES & RESPONSIBILITY	6-7
 PART 2: POLICY GUIDELINES, PROCESSES AND PROCEDURES		 7-19
7.	REGISTRATION AND ENROLMENT	7
	Registration and Enrolment	7-8
	Continuation/Re-enrolment	8
8.	COURSE FEE PAYMENT	8-13
	Course Fee Payments	8-9
	Mode of Course Fee Payment	9-10
	Course Fee Difference	10
	Fee Reminder Notice	10
	Fee Refund	10-11
	Fee Sponsorship	12-13
9.	PAYMENTS AND EXPENSES	13-16
	Petty Cash Payments	14
	Advances	14
	Fuel and Telephone Allowances	14

S.		Page
No.		No.
	Utility Payment	14-15
	Purchase and Suppliers	15
	Inventory	15-16
	Capital Expenditure (CAPEX) and Projects	16
10.	REGULATORY REQUIREMENTS	16-17
	Statutory Requirements	16
	Statutory Documentation	16-17
11.	IBSUNIVERSITY BUDGET	18-19

PART 3: FORMS

PART 1: POLICY PREAMBLES

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY <small>Focusing on Student Centred Learning</small>
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 4 of 19</i>

1. INTRODUCTION

The main role of Finance Department is to ensure effective financial planning and execution, providing sound advice on the financial implications of academic and administrative decisions, improving service standards and creating realistic performance in terms of financial practice and control, maintaining accurate financial records and providing timely information for decision making.

2. PURPOSE

The purpose of having a finance policy that is sound, effective and working is to ensure all financial operations are controlled, managed in a consolidated manner for control purposes starting from the budgetary preparation and documentation to the revenue, management and expenditure functions of the Finance Department.


3. OBJECTIVES

- 3.1 Develop and implementation of effective system of finance process and control procedures
- 3.2 Finance staffs are to be trained, motivated that they are provided with opportunities to fulfil their potential and a culture of continuous improvement and mutual management support is created.
- 3.3 Ensure the organisation financial affairs are conducted in accordance with relevant governance and all relevant statutory and legal requirements
- 3.4 Ensure that services are rendered on time, with best quality to both internal and external customers including corporates
- 3.5 Ensure effective system of financial planning, reporting and establish effective management information system
- 3.6 Be a learning organisation through interaction with others to raise professional skills and practice
- 3.7 Ensure the financial records are accurately maintained and properly documented.

4. SCOPE

Functional Areas;

- 4.1 Revenue collections (students' course fee payments, corporate training fees, other revenue)
- 4.2 Students finance administration (students' financial records, Reports, collections of outstanding, refunds, reminders, Sponsorship payments and reports, acquittal, student statement of account)
- 4.3 Suppliers and utility payments

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY <small>Focusing on Student Centred Learning</small>
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 5 of 19</i>

- 4.4 Financial reporting, Management reports, Review, Budgeting
- 4.5 Financial risk management
- 4.6 Regulatory reporting and tax compliances
- 4.7 Payroll disbursement
- 4.8 Recording and maintenance of financial records and transactions
- 4.9 Treasury function

5. DEFINITIONS

“**Budget**” refers to the process of creating a plan that projects an estimation of the revenue IBSUNIVERSITY will generate and the expenses that IBSUNIVERSITY’ will pay in any one academic year. Budgets are usually compiled and re-evaluated on a periodic basis. Adjustments are made to budgets based on the goals of IBSUNIVERSITY.

“**Course Fee payment**” refers to payments made to IBSUNIVERSITY Finance Department to support the administrative and instructional costs in the delivery and maintenance of each learning program throughout the academic year.

“**Enrolment**” is defined as the outcome of registration. It means the student has met all course pre/co-requisites and been admitted to the course.

”**Expense**” refers to the costs involved in exchange for goods and services that would enable IBSUNIVERSITY to achieve its goals and objectives. This could either be cash payments or other valuables such as payment of utilities, salaries, payments to suppliers and others which is paid out.


“**Payment**” is defined as a current debt that has to be paid according to the terms that both parties have agreed on. Examples of these could be electricity, cable TV, and telephone bills where consumers have already used the service and are given a bill to be paid at a later date.

“**Registration**” is defined as the process of actually enrolling in Programmes. Registration occurs once the student has been granted admission and has confirmed their acceptance of a placing.

“**Regulatory Requirements**” is defined as compliance to laws and regulations, restrictions and licenses imposed by the government that are applicable to IBSUNIVERSITY’ business products and services.

6. ROLES & RESPONSIBILITIES

Manager Finance	The effectiveness of this policy remains heavily with Manager Finance for its coherent implementation, review and upkeep in order to accomplish the Policy Objectives
Manager Student Services	Department of Student Services is an active stakeholder to this Policy and it is the responsibility of the Student Services Manager to liaise closely with the Finance Manager, as per what this policy stipulates, for the efficient registration and

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY <small>Focusing on Student Centred Learning</small>
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 6 of 19</i>

enrollments, apart from other related issues involving students-finance.

Manager Human Resources	Regarding Payroll and other human resource management related issues relating to finance should liaise closely with Manager Finance to ensure payment requests are done with scheduled timings and budget.
Chief Operating Officer	The COO is to provide oversight relating to student enrolments and registration for verification to ensure correct practices are adhered to.
Vice Chancellor	The Vice Chancellor as the head of the University shall on regular basis liaise with the Finance Manager to ensure the policy is complied to at all times.

PART 2: POLICY GUIDELINES, PROCESSES AND PROCEDURES

7. REGISTRATION AND ENROLMENT

7.1 Policy Guidelines

- (a) All intending students to IBSUniversity shall fill in the confirmation of registration form and submit to Student Services to undergo the registration process.
- (b) To ensure that students who are considered eligible have satisfactorily met all of IBSUniversity Enrolment Requirements.


7.2 Registration and Enrolment

(a) Diploma / Undergraduate Programmes

A prospective student who has already submitted his/her Application and was issued with a Letter of Acceptance and Pro-forma Invoice, is required by default to pay 100% at enrollment.

(b) Common Procedures

- i. The IBSUniversity must refer a prospective student to the relevant Student Service Officer to confirm his/her acceptance.
- ii. The relevant Student Service Officer must locate his/her Application Form [SSD0001] and forward the same to Finance Officer along with the payment slip. This payment slip is used for verification and confirmation purposes.
- iii. The Finance Officer must register the Applicant in the system. On confirmation of all entries & formalities, Receipt is given to the students for their record of payment.
- iv. While registering, the Finance Officer must ensure the following in the Student Management System:

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY <small>Focusing on Student Centred Learning</small>
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 7 of 19</i>

- v. Application number is selected entered correctly and the prospective student's First Name and Surname are validated with the certificates or identity proof.
- vi. When the Finance Officer confirm the Registration screen of Student Management System – has to ensure followings;
 - Details are correct
 - Payment confirmation
 - Units/subjects are allocated correctly and confirm with registration form
- vii. Any variation or mismatched immediately must be referred to Finance Manager or Student Service Manager. Finance Officer should not proceed any further until Finance Manager rectifies the situation.
- viii. The Finance Officer must write the registration number allotted to the Student by the Student Management System on the manual registration confirmation form, and file receipt Invoice [FIN001] along with the application form in the student file-

7.3 Continuation / Re-enrolment

- (a) Only applicable to Diploma, Associate Degree and Degree Programme.
- (b) A student who has already submitted his/her Continuation/Re-enrolment form and issued with a Pro-forma Invoice, shall pay either the full fee within the 5 weeks from enrolment prescribed by the IBSUniversity time to time in order to get registered/enrolled for the programme he/she applied.
- (c) Other common rules will apply.

8. COURSE FEE PAYMENT


8.1 Policy Guidelines

- (a) The Finance Department of IBSUniversity is solely responsible for executing the collection of course fee payments and making financial decisions according to prescribed procedures in this policy.
- (b) To ensure that the course fees paid covers both the administrative and instructional costs of running the learning programs

8.2 Course Fee Payments

(a) Diploma / Degree Payments Rules for Registration

- i. 100% of programme fee must be paid upon registration.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 8 of 19</i>

- ii. In the event a student is paying 50% and sponsor paying 50% that shall be specified when making payment.
- iii. If (ii) occurs evident of partial payment agreement shall be provided for verification and consideration.

8.3 Mode of Course Fee Payment

(a) Cheque Payments

- i. Only bank cheques shall be accepted.
- ii. Government organizations /departments cheques
- iii. In case of direct cheque payment, it must be entered into cheque payment register and will be acknowledged by payer. It will be receipted into system once it is credited to bank statement. No receipt will be given until the cheque realized in bank account.
- iv. Once cheque realized in bank account, it has to be receipted into system and to be updated to register. On confirmation of the deposit on the Bank Statement an original receipt can be issued (the officer can call to bank and confirm the deposit as well). Then official system receipted must be sent to payer.

(b) Card Payments

In case of Debit Card payments, Debit Card must be processed on EFTPOS machine and only on approval of the payment by the bank, the details can be entered in the Student Management System and the prospective student shall be registered.


(c) Cash Payment

No cash payment accepted except;

- i. Registration fee
- ii. Repeaters and Absenters (R & A) Exam
- iii. Student request
- iv. Text books fee, less than K200
- v. Any exceptional cases must be done with the approval of Finance Manager.

(d) Other Payments

- i. All other payments must be paid by card or deposited to the IBSUniversity bank accounts.
- ii. When students do deposits, they have to clearly mention following; the students name, registration/application number on the deposit slip. Payments without these details will delay the identification of the payment and receipting.
- iii. Once student done the deposit, he/she have to immediately produce the deposit slip to finance to get the system generated receipt.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 9 of 19</i>

(e) Payment Limit

All cash receipts shall be reported to Accountant / Finance Manager daily by cashier and banked weekly.

(f) Direct Deposits

A separate folder must be maintained for all bank deposits, bank statements and receipts; reconciled with statements daily.

(g) Dishonoured Cheque Payments

Dishonoured Cheque payments immediately reversed in the system and a written communication must be given to the student and drawer of the cheque using electronic communication modes, such as email.

8.4 Course Fee Difference

Due to increase in course fees every year the student has to meet the fee difference before enrolling.

(a) This is applicable in the event that the student has discontinued and requesting for a course fee difference in the coming years in which the fees have already been changed. In this case, the course fee difference has to be paid before the student is allowed to take lectures.

(b) The Course Fee Difference is not applicable if the student wish to sit for the exams only. The Fee is applicable only when they request to attend lectures.

8.5 Fee Reminder Notice

(a) Students must be issued with Letter of Programme Fee Reminder [**SSD0018**] as per the schedule approved by the Manager – Finance.

(b) Reminders can be prepared in the system. However, reminders must be verified before they are issued to students for accuracy.

(c) Reminders are issued in the fourth (4th) and fifth (5th) week of classes.

(d) The Manager – Finance must ensure that the Finance Officer has issued all reminders as per the schedule.


(e) Any un-issued reminders on a particular day due to absenteeism must be issued on the following day.

8.6 Fee Refund

The Fee Refund procedures of Course Fee for students following Programmes at the IBSUniversity is as follows:

(a) Request for Course Fee Refund

Request for course fee refund will be entertained only through submission of properly completed Withdrawal Application Form [**SSD0006**] or Request For

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Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 10 of 19</i>

Refund Excess Fee Form [FIN0003], along with the ID card received from University.

(b) Refund Amount - Eligibility Criteria

The eligibility and the amount of refund will be established as per the following criteria:

i. Full Refund

In the unlikely event that IBSUniversity is unable to deliver a course in full, a student will be offered a refund of all the course money paid to date

ii. 95% Refund

If withdrawn after enrolment but before the commencement of the course, then 5% of the Total Course Fee Payable or units enrolled for the period will be retained and the balance, if any, will be refunded.

iii. 50% Refund

If withdrawn on or before the last day of the fifth week of the study period, then 50% of the Total Course Fee Payable or units enrolled to that study period will be retained, and the balance, if any, will be refunded.

iv. No Refund

There shall be no refund if student has withdrawn after 5 weeks from the commencement of the course OR if the student was terminated for disciplinary reasons.

v. Charge of 5% of amount paid applicable, if the student paid course fee in advance, but not enroll/register before Commencement of course.


vi. Registration fee of a course is Non – refundable, and Fees paid for are Non – refundable.

vii. Accommodation and transport fees paid – proportionally refundable based on period of facility provided to the student.

viii. If enrolment is made based on false information/document, then, enrolment will be cancelled at any time and at any stage. Under such conditions, no refund is available.

ix. In case of sponsored student, if refund is eligible, it will be reimbursed only to the Sponsor.

x. Excess and unregistered students refund: 5% up to K6,000.00, if exceeds fix charge of K300.00

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 11 of 19</i>

8.7 Fee Sponsorship

(a) Endorsements

Sponsorship is endorsed by the Departments / Provincial Governments / Corporates based on Letter of Acceptance issued by IBSUniversity

(b) General Rules

All general rules will apply in terms of student's administration process and rules unless any rules are specially spell out for sponsorship.

(c) Issuing Pro-forma Invoice with Letter of Acceptance (LOA)

A standard word will be included in all pro-forma invoices, stating that the Pro-forma issued is based on the Letter of Acceptance given to the student in order to follow the selected course.


Note that this policy is not to support change of Programmes for sponsored student in order to get monitory benefit out of that, in case any amount refundable that will be refunded to the sponsors only.

(d) Registration

- i. All the sponsorship students' details and registration documents must be endorsed by the Student Services manager and Finance Manager before registration.
- ii. Failure to comply with sponsorship fee payment rules, see (e) below, would result in compulsory withdrawal of students/units by 5th week

(e) Sponsorship Fee Payments

- i. In the case of regular/approved (list will be updated every month) sponsor guaranteed to make the payment for a student, then they have to meet 60% of course fee, and must specify following details in their official – original letterhead:
 - Name of student & details
 - Amount of fees committed to pay
 - Date of payment (must be before 4th week of study period)
- ii. (Option: Student must pay 100% if sponsor fail to make payment within 5th week of study period) study period/in case of delay in payment by sponsor, they can continue course following Session/any exceptional cases will be approved with consent of Finance Manager & Chairman/VC).
- iii. In addition to the conditions of rule two here, if sponsor makes partial payment not less than 60%, then the balance should be paid by student to register (example; sponsor pays 30% + student pays 30% - to register)
- iv. Balance 40% course fee must be paid before 5th week of student study period, failure to make the payment could result forfeiture of

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Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 12 of 19</i>

registration/compulsory removal of units enrolled to balance the fee payment.

- v. Following cases should not be considered for registration and shall be referred to the Finance Standing Committee to decide;
- Personal guarantee,
 - New sponsor without consent of management,
 - Sponsorship commitment without payment amount & possible payment date.

(f) Refunds

- i. Standard refund policy rules will apply
- ii. Any refund due will be paid only to the sponsor
- iii. IBSUniversity will not facilitate as intermediary to distributing any cash benefits to students / third parties on behalf of sponsors (in compliance with Anti-Graft and Money Laundering Act)

(g) Communication to Sponsors

Communication to sponsors should be in the form of;

- i. direct meeting/official communication by authorized staff and managers/official letter
- ii. IBSUniversity will update about sponsorship rules/acquittal/progress report or performance of sponsored students
- iii. Telephone call/verbal communication/copy of the original letters will not be considered as part of official communication for decision making unless if the identity proved and endorsed by Student Services Manager/Finance Manager/Chief Operating Officer.


(h) Quality Check of Sponsors

At regular intervals IBSUniversity will do a quality check for sponsors and update approved sponsor list as well as black list. This process will be done by Student Service Manager, Finance Manager and Chief Operating Officer together.

9. PAYMENTS AND EXPENSES

9.1 Policy Guidelines

- (a) The Finance Department under the leadership of the Finance Manager in consultation with the Vice Chancellor when and if required, shall take full responsibility for assessing and making financial decisions relating to all IBSUniversity' payments and expenses.
- (b) To ensure that both payments and expenses are monitored and recorded according to prescribed procedures in this policy.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 13 of 19</i>

- (c) Proper documentation is always to be followed.

9.2 Petty Cash Payments

- (a) The petty cash impressment amount is K5000.
- (b) Fuel reimbursement, easipay, staff medical (refer HR Policy) and other miscellaneous will be paid from petty cash fund, limits as follows;
- i. Chairman / Vice Chancellor / Corporate vehicle fuel supplied
 - ii. Pro-VC is reimbursed K250.00 per month
 - iii. Programme Promoters / Managers are reimbursed K200.00 per month
- (c) Any single petty cash reimbursement request more than K300 will be settled the following working day after 3.00 pm. The request shall be with Petty Cash Form [ADM0001]
- (d) All petty cash reimbursement must be supported with proper invoice or any other proof of payment
- (e) Replenishment limit is K500.
- (f) The purpose of petty cash is to meet office related miscellaneous expenses and not for personal use of any staff.

9.3 Advances


Obtaining advances for payment must be settled within 3 working days by the person requesting the advance for goods or service. If it is not settled within three (3) working days or as agreed it will be reported to Human Resource Manager for further corrective action.

9.4 Fuel and Telephone Allowances

- (a) Managers who use the vehicles provided by the company are entitled to get the fuel allowance of up to K200 per month, which is reimbursement upon presentation of fuel receipts. Refer Petty Cash Payments under Section 9.2
- (b) All managers who use the vehicles provided by IBSUniversity are required to maintain and update vehicle usage log book. Refer Transport policy for details.
- (c) Managers and team leaders are eligible to get DIGICEL CUG package and managers are eligible additional K30 top up per month.
- (d) Managers have regular business usage will be provided DIGICEL post-paid connection.

9.5 Utility Payment

- (a) Priority accounts such, as Electricity, Water, Telephone, Internet and all statutory payments, such as tax, insurance, and must be made without failure on or before the due date.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	Page 14 of 19

Before making the payment all relevant managers or team leaders responsible must confirm the usage and correctness of bill/ invoice


- (b) Follow-ups should be done to avoid delays in submitting the bills to the Finance Department.
- (c) Priority accounts should have separate files created with copies for easy reference.

9.6 Purchase and Suppliers

- (a) Official list must be maintained for creditors or suppliers. Creditors listing show all the creditors and their details of invoices to be paid and are prepared using MYOB. Creditor listing further identifies the invoices under the respective Companies, which are IBSUniversity.
- (b) Creditors are listed on a weekly basis submitted to Finance Manager for review.
- (c) Creditors are paid based on their terms of payment. Payments of creditors are made in the middle of the month and beginning of the coming month.
- (d) Payments should not be delayed unless otherwise advised by the Vice Chancellor or Manager–Finance.
- (e) Payment Vouchers [**FIN0002**] are then filed away in sequence of cheque number and for other payments it's filed according to dates for easy reference.
- (f) All payments can be paid if it is budgeted only. Any requests which are not budgeted can be paid once the approval obtained from Vice Chancellor or Chairman. Monthly summary should be prepared by Finance department and will be submitted to the Vice Chancellor in this regard.
- (g) All payment requests must be supported with proper invoice/supporting documents (Purchase Order [**ADM0004**], Purchase /payment request/ Good Received Notes (GRN)), and relevant heads of department must confirm the delivery / work done.

9.7 Inventory

- (a) Stock count of stationery items must be taken every month and record must be maintained as and when stationaries are issued.
- (b) Stationery request must be completed for replacement of any items.
- (c) In the event that the item requested are not on the stationery list/stock, a stationery request form must be completed with explanation why we need to purchase the item. The request must then be forwarded to Chief Operating Officer for approval.
- (d) Upon approval – Finance officer must obtain three quotes from various suppliers before the purchase is made.
- (e) Folders should not be issued for personal use; it must be issued strictly for business purposes.

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Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 15 of 19</i>

9.8 Capital Expenditure (CAPEX) and Projects

- (a) A register (electronic system & manual register) for fixed assets must be maintained and updated as and when new assets are procured.
- (b) Items purchased less than K5000 should not be capitalized.
- (c) Original invoices shall be filed with the fixed assets register and copies kept separately.
- (d) All CAPEX/ Projects payments can be paid if it is budgeted only. Any requests which are not budgeted can be paid once the approval obtained from Vice Chancellor or Chairman.
- (e) CAPEX justification report must be produced all cases considering factors such as priority, alternatives, analysis, long term factors, availability of finance etc.

10. REGULATORY REQUIREMENTS

10.1 Policy Guidelines


- (a) The Finance Department under the leadership of the Finance Manger is responsible for complying accurately and promptly with all the legislative requirements relating to the financial management of IBSUniversity.
- (b) To ensure that IBSUniversity assets are being properly and lawfully managed in the University's operations to achieve its goals and objectives.
- (c) Often, payment of a non-refundable registration deposit is required before a student can register. Student Services shall provide all essential registration information prior to start date.

10.2 Statutory Requirements


- (a) All statutory reports must be submitted / lodged without fail as per regulatory requirements.
- (b) All statutory reports must be forwarded to the Manager Finance for verification then forwarded to CFO/VC for approval before it is lodged with the respective statutory bodies.

10.3 Statutory Documentation

- (a) Goods and Services Tax (GST) Returns – Internal Revenue Commission (IRC)
 - i. GST returns is lodged 21st monthly. Manager – Finance must ensure that the GST is lodged on or before the due date. A penalty will be paid for late lodgment.
 - ii. A spreadsheet is prepared for the computation of input credits and output debits.
 - iii. Upon completion of the above, the GST return form is lodged with IRC.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY <small>Focusing on Student Centred Learning</small>
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 16 of 19</i>

- iv. Note that Group Tax payments are offset against GST refundable.
- (b) Annual Returns – Investment Promotion Authority (IPA)
- i. Annual Returns, which is Form 22 is lodged before 30th June yearly.
 - ii. Manager – Finance must ensure that the form is lodged together with the financial statement. A penalty will be imposed on non-lodgment of Annual Returns.
- (c) Financial Statements
- i. Year-end accounts financial statements are prepared, approved and lodged with statutory authorities.
 - ii. This includes preparation of P&L, Balance Sheet, Depreciation Schedule, Company Returns and Training Levy.
 - iii. Manager – Finance must ensure that financial statements are lodged before the due date.
- (d) Income Tax & Returns - IRC
- i. Tax Return is lodged together with the Financial Statements by 31st March.
 - ii. Company Provisional Tax is paid in 3 equal installments every year.
 - iii. Manager Finance must ensure that the provisional tax is the correct amount to pay. Appointment must be made with IRC for disputes.
 - iv. Income Tax is based on income derived in the year of income. In the case where there is objection, Manager–Finance must ensure to put in writing and must state in full for reasons for disagreeing. It must reach IRC within 60 days after the posting of the notice.
 - v. Adjustment sheet is sent by IRC for alterations upon assessment based on the Return lodged.
 - vi. Manager – Finance must ensure to attend to the queries raised by IRC before the due date.
- (e) Training Levy – IRC
- i. Training Levy is based upon information that relates to the year. It is lodged in the cases where any of our staff members are attending professional training Programmes. If training is to exceed K200,000.00 then training levy is required to be lodged with IRC.
 - ii. In the case where training expenses exceed 2% of Annual Salary Return, training levy is not payable and vice versa.
- (f) Group Tax Returns – IRC
- i. Group Tax return must be lodged on or before 7th Monthly.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 17 of 19</i>

- ii. This is based on the Salary and wages tax deducted from Employee wages. Only the portion of the tax is paid to IRC.

Note that Group Tax must be offset against GST Refundable if any.

(g) NASFUND

- i. NASFUND is lodged on the 7th monthly.
- ii. Manager – Finance must ensure that it is lodged with NASFUND with correct information.

(h) Tax Clearance Certificate

Application form is lodged for Tax Clearance Certificate every year for blanket cover. Forms must be lodged before the expiry date for renewal. The form must be lodged with Internal Revenue Commission.

We deal with overseas transactions therefore a tax clearance is needed for the transactions to take place.


11. IBSUNIVERSITY BUDGET

11.1 Policy Guidelines

- (a) The Finance Department under the leadership of the Finance Manager and in close consultation with the Vice Chancellor shall be responsible for IBSUniversity Budget planning processes, budget implementation, monitoring and assessing budget outcomes and producing regular financial reports to management.
- (b) This is to ensure that IBSUniversity is guided by agreeable predetermined financial plans and to make sound financial decisions to achieve its goals and objectives of the academic year.
- (c) Each department is required to submit own budgetary plan to Finance Department to compile the annual University Budget

11.2 Policy Procedures


- (a) The Finance Manager shall be responsible to consult with the Chairman/Vice Chancellor in the preparation of the Budget at the end of every year. The Budget shall indicate the projection of revenue and expenses for the coming year.
- (b) Design financial modeling that is linked with other files to help prepare budgets in a timely manner.
- (c) The Finance Manager shall prepare monthly financial reports and submit to the Vice Chancellor/Chairman.

Prepared by: Finance Manager	Reviewed by: Policy Review Committee	Approved by: Manager Finance	 IBSU UNIVERSITY Focusing on Student Centred Learning
Document Control No: FIN0100	Version No. 1.1	Approval date: 19 th July, 2019	<i>Page 18 of 19</i>

- (d) The Finance Manager shall make financial decision based on the findings of what the planned budget is as opposed to the actual. This information will be reported to the Vice Chancellor on a monthly basis.

PART 3: FORMS

<u>Code</u>	<u>Title</u>
FIN0001	Invoice
FIN0002	Payment Voucher
FIN0003	Request for Refund Excess Fee Form
ADM0001	Petty Cash Form
ADM0004	Purchase Order for Non-Credit Supplier
ADM0005	Payment Request Form
SSD0001	IBSU Application Form

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