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Funds shall be transferred either through Demand Draft or through telegraphic as below. In addition to other various requirements, this shall be based on the quarterly estimated cash requirement statement (also called Operational Plan and Budget, see annexure).

PROCESS FOR RELEASE OF FUND TO THE FIELD OFFICE

- SCNN sends budget to Oslo by 20th August. For this partners are usually required to submit the final budget in the SCNN formats (ref annexure) within mid-July.
- Partners must submit budgets to the Field Office in detail giving the expense codes and objective codes for each activity, see enclosed example. It must be submitted in four quarters for each three months which will be the basis for the release of installment during the fiscal year.
- Oslo informs us about the approval of budget by 15th Dec. SCNN informs the partners about the planned budget by the 15 of November to enable the partners to draw up a detailed budget for their work by the end of December, all in line with formats and instructions from FAD-SCNN.

RELEASE OF FUND TO THE PARTNERS BY THE FIELD OFFICE

Compliance of administrative requirements (see Annexure) a must for all partnership and also for release of fund to the partners. This shall be completed before the release of fund to partners.

1st quarter of the year

The field office shall release the first installment after receipt of the annual progress report and the statement of accounts for the previous year- deadline 10th January

2nd quarter

After receipt of:

- the statement of accounts for the first quarter and on the basis of the estimates/revised budget of the second quarter (ref operational plan and budget) plus a buffer amount deemed reasonable –deadline 5th April

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- the Annual Audit Report and the Management Letter for the previous year – deadline February end

3rd quarter

- After receipt of the statement of accounts for the second quarter and on the basis of the estimates/revised budget of the third quarter (ref operational plan and budget) plus a buffer amount deemed reasonable – deadline 5th July.

4th quarter

After receipt of:

- the Bi-annual (interim) Audit Report and the Management Letter for the 1st six month of the current year – deadline July end
- the statement of accounts for the 3rd quarter and on the basis of the estimates/revised budget of the 4th quarter (ref operational plan and budget) plus a buffer amount deemed reasonable –deadline 5th October

DEADLINE FOR PARTNERS

<i>Month & Date</i>	<i>Particulars</i>	
Every 5 th of the following month	Monthly	for the partners other than Kathmandu based
Every 10 th of the following month	Monthly	for the Kathmandu based partners
April 5	Quarterly Statement of Accounts and Budget Revision	
July 5		
October 5		
January 10		
Feb end	Annual Audit Report and Management Letter	
July end	Bi-annual Audit Report and Management Letter	
July 2 nd Week	Annual Plan & Detailed Budget (with description of activity and corresponding expenses) for the next year	

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RELEASE OF FUND TO THE FIELD OFFICE RELATED TO THE PARTNERS BY THE KATHMANDU OFFICE

The following data/information/documents are prerequisite for releasing the fund to the partners through the field office.

- Copy of the documents related to the compliance with the administrative requirements.
- A consolidated Operation Plan and Budget of Partners and the Field Office showing the month-wise (from January to December) estimated detailed expenses for each activity, the relevant objective codes and the donor name - to be received by Kathmandu Office within July.
- Detailed budget of the field offices, internal projects and partners showing the objective codes and the expenses codes for each activity and the donor name - to be received by Kathmandu Office within July.

Contingent to approval of budget by Oslo and upon receipt of all the requisite documents/information of partners as stated above and also mentioned below it will release the fund to the Field Office in four installments.

1st quarter of the year

The Kathmandu office shall release the first installment after receipt of annual progress report and the statement of accounts including separate balance sheet for SCNN support funding and the consolidated balance sheet if appropriate for the previous year- deadline 20th January

2nd quarter

After receipt of:

- the statement of accounts for the first quarter and on the basis of the estimates/revised budget of the second quarter (ref operational plan and budget) plus a buffer amount deemed reasonable –deadline 10th April, and
- the Annual Audit Report and the Management Letter for the previous year – deadline February end.

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3rd quarter

- After receipt of the statement of accounts for the second quarter and on the basis of the estimates/revised budget of the 3rd quarter (ref operational plan and budget) plus a buffer amount deemed reasonable – deadline 10th July

4th quarter

After receipt of:

- the Bi-annual (interim) Audit Report and the Management Letter for the 1st six month of the current year – deadline 30th July, and
- the statement of accounts for the 3rd quarter and on the basis of the estimates/revised budget of the 4th quarter (ref operational plan and budget) plus a buffer amount deemed reasonable – deadline 10th October

ACCOUNTING TREATMENT OF FUND

After fund is transferred to the partners, the payment shall be charged to the relevant accounts as below:

1st Step

Debit: Partner Debtor's Account- Actual Released Amount

Credit: Bank/Cash – Actual Release Amount

2nd Step

Debit: Partner Debtor's # 2- Actual Expense Amount

Credit: Partner Debtor's # 1- Actual Expense

Similar treatment will be done by Kathmandu Office against the Field Office for the installments transferred to the Field Office.

REGULAR FUND TRANSFER FOR THE REGIONAL FIELD OFFICE EXPENCES

Kathmandu office shall transfer the fund to the field offices (FO) to meet their day-to-day running costs based on the request of the field office that shall contain detail information about the estimated expenses that will be expended within next three-four weeks. In order to receive the next payment the FO shall submit the statement of accounts showing the expenses against the current income (transfer from Kathmandu Office), the balance amount and the estimated expenses for the next period and the cash requirement.

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Kathmandu office shall release the next payment upon receipt of the expense report (re annexure) against the previous payment.

MAINTENANCE OF ACCOUNTS

The field office shall maintain accounts of all the partners in the appropriate ledger (cash, bank, debtors, creditors, expenses) and also maintain expenses records related to its own office. All the bills and vouchers and other related documents concerning such expenses shall be kept in its safe custody as per the guideline of the SCN-Oslo.

AUDITING

The Regional Program Manager shall be audited every quarter by the auditors hired by the Katmandu Office. The office shall maintain: an up-to-date books of accounts, an updated stores and fixed assets register and a fairly good filing system for the quick retrieval of any documents when needed and shall extend full cooperation to auditors in their auditing work.

SURPRICE OF CASH VERIFICATION

The Program Manager shall make a surprise cash verification at regular intervals and verify that with the cash book balance. Both the balance should tally with each other. A record of the cash available during the verification shall be made giving all the details of the denomination of the cash and currencies. This should be filed and made accessible to the auditors during the auditing.

Any major discrepancy both positive and negative shall be considered as a serious lapse on the part of the Accounts Officer/person responsible for handling cash that shall be brought to the notice of the APD and FAD for their necessary action.

ATTENDANCE REGISTER

The field office shall maintain an Attendance Register and the staffs stationed in the field office shall sign it and keep other records (leave, staff movements) up-to-date. The leave record should match with the leave applications and vice-versa. The Accounts Officer/person designated for the task shall be responsible for this task.