





FINANCIAL PROCEDURES MANUAL

APPROVING AUTHORITY			
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Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

Contents

1. Overview.....	3
1.1. Purpose.....	3
1.2. Scope.....	3
1.3. References.....	3
1.4. Associated documents.....	3
2. Internal control framework.....	4
2.1. Fiscal Year.....	4
2.2. Currency of the Financial Records.....	4
2.3. Basis of Reporting.....	5
3. Financial procedures.....	5
3.1. Planning Budgeting.....	5
3.2. Revenues and expenses management.....	6
3.2.1. Revenue recognition.....	6
3.2.2.1. Assets and Liabilities.....	7
3.2.2.2. Consistency.....	7
3.2.2.3. Accounting for Special expenses.....	8
3.2.2.4. Property, Plant and Equipment (PPE).....	8
3.2.2.5 Expense procedure.....	9
3.3. Debt recovery procedures.....	10
3.3.1. Cash collection procedures.....	10
3.3.1.1 Cash collection.....	10
3.3.1.2. RMI’s Bank accounts management.....	11
3.3.1.3. Bank reconciliation.....	12
3.3.1.4. Expenses management.....	12
3.3.1.5. Delegation of Expense Authority.....	12
3.4. Payment procedure.....	13

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
3.4.1.	Petty Cash Management.....	13
3.4.1.2.	Forms of cash disbursement.....	14
3.5.	Action planning and Budget preparation procedure	15
3.6.	Action plan and Budget calendar.....	15
3.7.	Budgetary controls.....	16
3.8.	Payment of taxes	16
3.8.1.	Tax payment procedure	16
3.8.2.	Payment of Value Added Tax (VAT).....	17
3.8.3.	Payment of Corporate Income Tax (CIT).....	17
3.8.4.	Payment of withholding taxes.....	18
3.8.5.	Payment of Rwanda Social Security pension and maternity contributions	18
3.9.	End of year procedures	18
3.9.1.	Accounts Receivable.....	19
3.9.2.	Accounts Payable	19
3.9.3.	Payroll.....	19
3.9.4.	Inventories	20
3.9.5.	Non-Current (Fixed) Asset Accounts	20
4.	Risk management framework	20
4.1.	Security and safety of RMI assets and materials	21
4.2.	Clients' assets.....	21
5.	Reporting.....	22
6.	Conclusion.....	23

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

1. Overview

RMI financial procedures manual was developed in accordance with public finance management rules and regulations applicable in Rwanda. The Government of Rwanda has made significant progress in reforming its public financial management system that includes the updating of the legal and regulatory framework and the computerization of the government financial management systems. Specifically, the reforms progress took a significant step forward with the promulgation of the revised Organic Law No. 12/2013 on State Finances and property in September 2013 which was followed up by promulgation of the accompanying Ministerial order No. 001/16/10/TC relating to financial regulations issued in 2016 to further unfold the content of the Organic Law on State finances and Property and the associated Ministerial Order on financial regulations.

1.1. Purpose

The purpose of this manual is to define how RMI handles its financial transactions and adhere to the public finance law and requirements of public financial management in Rwanda.

1.2. Scope

This manual covers the financial transactions taking place in fiscal years and touch the resources of institutions in the delivery of its mandate.

1.3. References

The present manual makes reference to public finance law, public financial management system and RMI's existing manuals.

1.4. Associated documents

This manual derives its content from the public finance law of Rwanda and Ministerial order No. 001/16/10/TC relating to financial regulations issued in 2016. It also borrows some content or

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

complement the RMI's existing manuals such as procurement procedure manual, Human resource procedure manual and asset and logistics procedure manual.

2. Internal control framework

An internal control framework is composed of a set of principles and policies which are used in the implementation of the organization's performance. The internal control principles provide a framework which, together with other management controls, ensures that the business transactions are carried out on a consistent and acceptable basis, and are properly accounted for. It is primarily believed that adequate separation of duties, proper authorization of transactions and activities, adequate communication and documentation of the business transactions, physical control over assets and records and independent check on performance will comprehensively guide the management towards effective fulfillment of RMI's desired goals. RMI shall observe such above principles and practices adopted by the management which are acceptable and in conformity with Rwanda's public finance law and the Ministerial order No. 001/16/10/TC relating to financial regulations issued in 2016.

The financial and accounting, management and control framework of RMI's financial transactions consist primarily of the following fundamentals;

2.1. Fiscal Year

The Fiscal year of RMI starts on 1st July of a given year and ends on 30th June of the following year in accordance with the Government of Rwanda's budget calendar.

2.2. Currency of the Financial Records

All financial records and subsidiary ledgers will be maintained in Rwandan currency and all supporting notes will be presented in English.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

2.3. Basis of Reporting

All transactions shall be recorded and accounts maintained on a historical cost basis unless modified to accommodate revaluation of certain assets. Accounting records shall be kept and processed using an accounting package “Sage Pastel Evolution” and reporting is done within Integrated Financial Management System (IFMS). In doing so, RMI shall observe the following:

- 1) RMI will strictly apply the modified accrual basis of accounting for all its revenue and expenses and regulated by MINECOFIN.
- 2) Revenue will be recognized in the financial statements when earned and expenses when incurred.
- 3) Revenue and expenses will be recorded in the financial statements for the period to which they relate.

3. Financial procedures

3.1. Planning Budgeting

The annual action plan and budget are prepared for the period starting from 1st July and ending on 30th June of the following year and is presented in Rwandan francs. The actual formulation of budgets shall be undertaken based on RMI strategy and business plan, activity priorities and available financial resources. The budgets shall be updated with the agreed upon revisions after 6 months and submitted together with the budget performance report to the Chief Budget Manager (CBM) for review and afterwards be presented in RMI board for approval.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

3.2. Revenues and expenses management

3.2.1. Revenue recognition

RMI is a public institution that deals in revenue generating activities but also receives government budget subsidy:

- 1) This will include all revenue from services rendered by RMI
- 2) Where RMI sells any valuable assets, goods or items, all the proceeds derived from such disposal will be treated as revenue to the institution.
- 3) RMI can receive donations or grants from development partners

Any decision affecting the revenue of RMI shall be taken by the CBM. Special decisions shall seek consultations from the Board of Directors (BoD). Such special decisions shall concern among others the credit application or extension, debt write offs and approval of debit and credit notes, disposal of assets whose value exceeds Rwf 10 million. The procedure to be followed while executing such special decision shall be determined by the Senior Management Team (SMT) meeting and clearly documented to guide the officer on task.

RMI shall review the available sources of income and seek to diversify its income sources. This will ensure that the institution minimizes the risks related to various expenses while maximizing revenues. Normally, the internally generated revenues of RMI include fees earned for training services, research and consultancy services, rental income from halls, accommodation, catering and recruitment services offered to clients and other income such revenue from hiring garden, etc.

Revenue shall be reconciled by comparing the entries recorded in accounts to the supporting documentation to ascertain their completeness and accuracy. For the purpose of internal controls, the reconciliations should be carried out by persons independent of recording the revenues. The following procedures should be applied:

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

- 1) Revenue collected must be supported by receipts after the client deposit cash to the recognized RMI Bank account,
- 2) The receipts books should be kept in a secured area (stock) and issuance and record of receipt books are supported by the stock card and requisition note,
- 3) Revenue collection is done through direct deposit, electronic transfer or bank certified cheque,
- 4) All revenues must be banked in RMI Bank account and relevant supporting documents (cheque, payment order, should be presented to RMI responsible officials for future reference
- 5) Revenues must be reconciled regularly and this reconciliation should be documented and subject to an independent management review.

RMI should verify completeness of revenue data while reporting. A report should be prepared on monthly, quarterly and annual basis.

3.2.2. Expense recognition

Expenses shall be recognized when incurred even though payment can be done at a later date. Expenses shall be evidenced by a signed document authorized by the competent authority.

3.2.2.1. Assets and Liabilities

All the assets and liabilities of RMI will be recognized, recorded and appropriately disclosed on the balance sheet as and when they arise.

3.2.2.2. Consistency

Consistent accounting methods will be applied from one financial year to the next and any changes will be reported and their effect on financial results disclosed in accordance with relevant provisions of International Public Sector Accounting Standards (IPSAS).

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

3.2.2.3. Accounting for Special expenses

When accounting for Special Expenses RMI will ensure that where financial resources are held for both recurrent and capital expenses they are separated and accounted for distinctively.

3.2.2.4. Property, Plant and Equipment (PPE)

According to International Public Sector Accounting Standards (IPSAS), PPE refers to tangible non-current assets as property, plant and equipment (PPE) and recognizes that they possess a physical substance, are held for use in the production of goods or delivery of services or for an administrative purpose, and are expected to be used for more than one accounting period. Therefore, Property, Plant and Equipment represents assets with a useful life exceeding one accounting period and having a minimum value at the point of acquisition of Rwf 100,000 either individually or collectively. The following policies and procedures will apply in dealing with Property, Plant and Equipment of RMI:

- 1) The purchase and disposal of any fixed asset will be subject to the decision of the management
- 2) Items of Property, Plant and Equipment must be capitalized, recorded and controlled individually by being assigned appropriate identification numbers and being recorded in a detailed Assets Register.
- 3) The audit must carry out periodic physical verification of all RMI's assets at least once a year.
- 4) Property, Plant and Equipment should be stated at cost less accumulated depreciation.
- 5) Depreciation on other items of Property, Plant and equipment will be calculated on straight line method to write off cost of the assets over their estimated useful lives.
- 6) The following are the applicable annual depreciation rates:

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

SN	Type of Fixed asset	Rate of Depreciation
1	Land	NIL
2	Buildings	5.00%
3	Motor Vehicles	25.00%
4	Computer equipment	50.00%
5	Telecommunication equipment	50.00%
6	Office equipment	25.00%
7	Office fixtures and fittings	25.00%
8	Office furniture	25.00%
9	Residential assets	25.00%
10	Intangible assets	25.00%

7) Depreciation for Property, Plant and Equipment purchased during the year shall be apportioned proportionately to the remaining period of the year.

3.2.2.5 Expense procedure

Each RMI unit prepares its requisition for expenses according to the approved budget. The expenses process starts with the preparation of a voucher at the receipt of an invoice from the supplier/service provider and/or with approved evidence that a liability has been incurred and cash should be disbursed. When an institution uses the voucher system, each transaction that involves cash payment is entered on a voucher and recorded in the voucher register prior payment.

The accountant controls the requisition after verification of budget availability. The Director of Finance and Administration (DAF) approves and submits the requisition to the CBM for authorization of expenditure. The Finance/Budget Officer posts daily expenditure to the budget

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

book, record cumulative expenditure and monitors remaining budget. The accountant controls the costs and the keeping of accounts.

3.3. Debt recovery procedures

To avoid accumulating the debts, the Director of Finance in consultation with the concerned production unit shall authorize invoicing of all clients in 3 working days when the debt is due and disseminate the invoices to the clients for payment. DAF has to make sure that invoices have reached the clients and a weekly follow up is consistently made to ensure effective payment. Every month, a recovery report shall be produced by DAF and submitted to CBM indicating those who paid and channels of the money and those who have not paid clearly specifying the dates of payment.

The powers of derogation are entrusted with CBM. The credit policy specifying the terms and conditions of credit shall provide more clarification on credit period, ceiling and quotas of payment.

3.3.1. Cash collection procedures

As highlighted above, there are many sources of revenue that come to RMI. The following are the ways RMI revenues can be collected:

3.3.1.1 Cash collection

Cash collection is prohibited at RMI. All payments have to be done by bank deposit or transfers. Cash deposited at Bank shall be acknowledged by a deposit bank slip specifying the reason of such deposit. Any payment to RMI with cheque, order of payment, mobile money transfers or bank transfers shall also be acknowledged with the corresponding documentations specifying the account number used. The RMI Accountant shall immediately record such transaction in appropriate books.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

It is important to note that any movement of cash has to be accompanied by support documentations indicating the receiver and reasons for such payment with the CBM's authorization. There are support documents meant to acknowledge the receipt and payment of cash in RMI. Failure to fill the documents shall be considered as a professional mistake that can be punishable by the management.

3.3.1.2. RMI's Bank accounts management

RMI operational accounts are at the Bank of Kigali and the National Bank of Rwanda. The authorized signatories are the DAF and CBM. The accountant can work as recognized agent who can access accounts information such as bank statements, accounts balances and collection of payment orders and cheque books.

In circumstances the CBM is not easily available, the Principal Senior Training Coordinator (PSTC) upon consultation with CBM, shall sign to authorize payment together with DAF. To ensure convenience and proper service delivery, CBM can officially appoint signatories specifying restrictions on accounts access or constitute a panel of signatories. The powers over the account shall be given in writing specifying the limits of authority to every member of the panel of signatories. The table below shows the acceptable panels of signatures authorized in RMI.

SN	Category	Name of staff	Position	Authorization
1	A	Name of CBM	CBM	Signs with B
2	B	Name of DAF	DAF	Signs with A or C
3	C	Name of PSTC	Principal Senior Training Coordinator	May sign with B

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

The cheque books shall be properly kept by the Accountant who fills the cheque with the accompanying support documents and present them to the authorized signatories. He shall also record the transaction details in the remaining leaf in the cheque book for ease reference.

3.3.1.3. Bank reconciliation

For better management of funds of RMI, DAF in accordance with the public finance management requirements, shall on a regular basis produce a report of all receipts and payments basing on the available support documentations and reconcile them monthly with the bank statements to ensure that there was no omission or other errors. Should there arise some discrepancy in accounts balances in RMI's books, it has to be reported immediately to the CBM for eventual and appropriate action.

3.3.1.4. Expenses management

The purpose of the expenses management procedure is to ensure completeness, accuracy and reliability in the management of expenses, and that all transactions are properly captured in the General Ledger system and appropriately reported. Specifically, this section ensures that:

- 1) Responsibilities and duties of expense authorities are clearly communicated and understood;
- 2) Appropriate officers are delegated expense authority, and they are held accountable for exercising that authority;
- 3) All payments are properly verified and approved before disbursement is made;
- 4) All vouchers and supporting documentations for expenses are properly prepared and accurately reflect the nature, purpose and authority for each transaction; and
- 5) There is adequate segregation of duties and responsibilities in the handling of disbursements.

3.3.1.5. Delegation of Expense Authority

- 1) Only CBM will approve delegated authorities or designate appropriate officers to authorize expenses within RMI.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
-------	-----------------------------	-------------

- 2) The use of rubber signature stamps, adhesive slips or mechanically produced signatures are prohibited.
- 3) The authority, responsibility, and accountability inherent in the delegation must be clearly communicated to the incumbent of a position charged with expense authority.
- 4) Where a delegated expense authority is revoked, suspended or modified, it must be reported promptly to CBM who is the signing authority officer.

3.4 Payment procedure

All invoices must be received and recorded by the accountant indicating all details of the supplier. All invoices must be verified and approved for payment by DAF or any other authorised officer. Once an invoice is verified and approved, it is processed for payment. Any payment either to the staff or supplier must follow the required documentations and authorisation and all payment documentations must be properly filed and signed by the accountant, verified by DAF and approved by CBM.

To extent possible, all invoices should display supplier's Taxpayer Identification Number (TIN), contract, report and other relevant supporting documentations.

3.4.1. Petty Cash Management

Petty cash represents specified amounts of cash set aside to facilitate disbursements of relatively minor transactions and small expenses. Petty cash payments are designated to reduce workload in acquiring and paying for small value purchases and other expenses. The purpose of the petty cash procedure is to ensure that all cash transactions are properly captured by the General Ledger system, cash position is determined and any surplus or shortage of funds is established constantly, recorded and reconciled, within the shortest possible time.

- 1) The Management shall establish a petty cash fund for RMI of Rwf 500,000 ceiling for miscellaneous cash payments.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

- 2) Single payments made from this fund should not exceed Rwf 50,000 but an exception can occur with the authorization of CBM.
- 3) Petty cash shall be replenished when it reaches Rwf 400,000 upon submission of the petty cash report by the cashier to CBM who will authorize replenishment.
- 4) Petty cash must only be maintained by the Cashier/Accountant designated by the management
- 5) All cash in the cashier office must be locked in a properly secured safe.
- 6) Petty cashier should not mix own monies with the petty cash at any time of his/her duties.
- 7) At any time the cash remaining plus the receipts for expenditure made must equal the amount of the float. This reconciliation must be made at least every week by the Accountant.
- 8) Borrowing of any sort from the petty cash fund is strictly prohibited and any instance of such malpractice must be immediately reported to the Management as a disciplinary malpractice.

Petty cash payments shall only be paid after submission and approval of a duly approved petty cash voucher containing the following information:

- (a) Reason for the claim;
- (b) Original supporting documentation (including invoices, receipts as applicable);
- (c) Amount of petty cash in words and numerals; and
- (d) Signatures of the payee, preparer, person checking and approving authority.

3.4.1.2. Forms of cash disbursement

It is strictly prohibited to any staff to make payment without filling proper documentations and getting approval from relevant authorities/officers. The forms in attachment indicate signatories of cash disbursement and the cashier has to comply with such above requirement. The approving officer, who is DAF, has to also ensure that proper documentations and justifications have been sufficed before approving the payment of cash to the beneficiary.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

3.5. Action planning and Budget preparation procedure

This procedure follows the public finance management cycle whose custodian is the Ministry of Finance and Economic Planning (MINECOFIN). The planning officer coordinates the budget consultation process by informing respective units and collecting information related to action planning from units and consolidate all activities in accordance with the guidelines and budget call circulars. The draft single action plan (SAP) is presented to SMT for discussions before it is taken to line Ministry for further consultations and eventual approvals.

3.6. Action plan and Budget calendar

The action plan and budget calendar follow the national fiscal calendar as prescribed in the PFM cycle. Below is a list of expenses allowable in RMI budget execution:

- 1) Salaries of employees
- 2) Mission and mileage allowances of employees
- 3) Coffee/tea break and refreshments
- 4) Working capital activities (operations Costs)
- 5) Fuel and other machine expenses
- 6) Office and stock consumables
- 7) Transport expenses and tickets
- 8) Office furniture and stationeries
- 9) Office rent and repairs
- 10) Maintenance of office equipment
- 11) Taxes
- 12) Insurance related to RMI activities and properties
- 13) ICT and Communication expenses
- 14) Machine and property maintenance expenses
- 15) Consultancies and other payments made to suppliers of services

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

16) Representation fees

RMI can also engage in capital expenditure in case of investment that has been planned in the budget. In case of major deviation from the budget, RMI shall make necessary adjustment in accordance with the public finance law and PFM requirements.

3.7. Budgetary controls

A budget prepared by and for RMI shall serve as a control device to help the institution monitor performance and execution of its budget and operations and it is also reported in accordance with the MINECOFIN guideline on quarterly and annual basis. RMI shall instate a budgetary control tool to help finance unit generate monthly budget execution reports to help the management take appropriate actions. DAF is in charge of reporting the budget execution on a monthly basis to the SMT for review and action.

3.8. Payment of taxes

RMI is registered as taxpayer that is subject to paying all domestic taxes among others the Value Added Tax (VAT), Pay As You Earn (PAYE), withholding taxes, Rwanda Social Security Board Medical insurance scheme (RSSB), Rwanda Social Security pension contributions, Rwanda Social Security Maternity leave contributions and Corporate Income Tax (CIT).

3.8.1. Tax payment procedure

The assessment and payment of taxes is vested within the responsibility of DAF who will supervise the accountant in this regard. Since most taxes have different seasonality, each type of tax shall be taken care of individually under the coordination of the designated officer. Delays in paying taxes due and subsequent penalties shall be borne by the responsible officer so long he/she cannot prove that the cause was far beyond his/her control and the management was aware of the limitations to paying taxes on time.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

3.8.2. Payment of Value Added Tax (VAT)

The Value Added Tax (VAT) is fixed at 18% and is paid on a monthly basis and has a deadline on 15th day following the month of payment. DAF, in consultation with CBM has the responsibility to ensure that such tax is accurately assessed and paid well before the deadline. For policy purpose, VAT shall be paid 2 working days prior the deadline. The accountant shall make sure that all VAT purchase invoices are kept safely and used wisely to ensure tax compliance in all aspects from the declaration to the payment.

In case of irregularities arising from the tax systems or the ambiguous transactions, DAF shall consult the CBM or seek advice from the designated tax Officer of Rwanda Revenue Authority (RRA) to fix the matter in due course.

3.8.3. Payment of Corporate Income Tax (CIT)

The Corporate Income Tax (CIT) is fixed at 30% of net income and is assessed at the end of the year but paid throughout the year through 3 quarterly prepayments and the balance. The deadline for payment of the balance is on 31st March of the year following the taxable year. Quarterly prepayments are assessed basing on the declared income tax of the preceding year and paid as follows:

- 1) Quarterly prepayment 1: The deadline is 30th June of the taxable year
- 2) Quarterly prepayment 2: The deadline is 30th September of the taxable year
- 3) Quarterly prepayment 3: The deadline is 31st December of the taxable year
- 4) Balance payment: The deadline is 31st March of the year following the taxable year.

To appropriately prepare for income tax declaration and payment, the accountant has to ensure that all expenses paid for by RMI fulfill to extent possible, all requirements to be eligible for tax deductions.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

In this regard, DAF has to make sure that financial statements are accurately and properly prepared and ready for external audit before the end of January and financial statements are internally audited before the end of February and then declaration follows in the first week of March of the year following the taxable year. The payment of quarterly prepayments shall be done 3 working days prior the above stated deadlines.

3.8.4. Payment of withholding taxes

The payment of 3% withheld taxes is made on quarterly basis and the deadlines are the same as those of the quarterly prepayments. The withholding tax of 15% is paid not later than 15th day following the month the tax was withheld.

3.8.5. Payment of Rwanda Social Security pension and maternity contributions

The RSSB pension contributions are split into two forms; the employer's contribution of 5.3% and the employee's contribution of 3.3% of the basic monthly salary. DAF has to ensure that such pension contributions are accurately computed and also paid well before the deadline along with other payable taxes. It is therefore, the responsibility of DAF to ensure that all employees are registered with RSSB and in consultation with the CBM, their contributions are retained, pay lists are accurately established and contributions paid to RSSB as per relevant tax laws of Rwanda.

3.9. End of year procedures

The end of year procedure stipulates the following at the end of the year;

- 1) The accounting books of RMI shall be closed annually.
- 2) DAF will be responsible for reviewing data and reconciling the General Ledger on a monthly basis.
- 3) Any discrepancies will be discussed with appropriate Finance personnel to allow for corrective actions.
- 4) The cut-off date for closure of financial year shall be 27th December to allow ample time for proper year end closure processes.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

The following guidelines will be used to close up the accounts of RMI.

3.9.1. Accounts Receivable

Complete accounting processes and reconciliation for Accounts Receivable (AR).

- 1) Enter and post all invoices and debits for the accounting period.
- 2) Enter and post all payments for the accounting period.
- 3) Prepare the Accounts Receivable Ageing Report, to reconcile report ageing balance to the general ledger account balance for the same.
- 4) Follow the financial policies and procedures in place for write-offs and/or collection steps as stipulated in Rwanda's public finance law.

3.9.2. Accounts Payable

- 1) Complete accounting processes and reconciliation statements for Accounts Payable (AP).
- 2) Enter all vouchers from purchases for the accounting period.
- 3) Generate and post all Accounts Payable payments for the accounting period.
- 4) Prepare the Accounts Payable Ageing Report to reconcile the report ageing balance to the general ledger account balance for the same.
- 5) Prepare Vouchers Payable Report for accrued expenses and reconcile the same to outstanding commitments.
- 6) A review should be made of any other orders or contingent liabilities and these liabilities should be reported in accordance with accounting standards.

3.9.3. Payroll

- 1) Complete accounting processes and reconciliation for final Payroll for the fiscal year.
- 2) Enter and post all correcting or adjusting payroll entries for the period.
- 3) Update the payroll with staff leave days taken and make provision for leave days outstanding.
- 4) Process year-end Payroll Report.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

3.9.4. Inventories

- 1) Carry out physical counts for all inventories kept in the stores at the end of the year.
- 2) During the count, identify and count obsolete, damaged and expired items. Obtain the value of these items and advise management on whether to write them off or treat them otherwise according to applicable policies and accounting standards.
- 3) Compare the results of the physical stock counts to the perpetual records and obtain explanations for any variances.
- 4) In cases where no explanations have been obtained or the explanations indicate that the write off is a reasonable option; the perpetual records should be updated and corresponding entries should be made in the General Ledger.

3.9.5. Non-Current (Fixed) Asset Accounts

- 1) The DAF in close collaboration with CBM, prepares reports on all additions, dispositions and movement of all non-current (fixed) assets at the end of the fiscal year.
- 2) All reports shall be compared to the asset register of RMI for reconciliation.
- 3) All depreciation entries must be posted and reconciled with annual rates.

4. Risk management framework

RMI is aware of risks that may arise from the exercise of its operations and the risk management is overall governed by the MINECOFIN's risk management guidelines of 2019. The risk may be material or immaterial. The above procedures have been elaborated to minimize risks in various areas. While a risk register has not yet been developed, the present manual provides basic guidance to mitigate certain risks that are inherent to daily operations of the business. Meanwhile, major risks that might arise to the clients' assets, assets and properties of the institution, security and safety of materials and offices, risks related to knowledge management, etc. shall be prevented within respective responsibilities of individual staff members.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
--------------	------------------------------------	--------------------

4.1. Security and safety of RMI assets and materials

Every staff of RMI shall be held accountable of the assets and materials put at his or her disposal. The keys of the office are kept by well-known members of staff authorized by the management who will keep communicating on the use and safeguard of the offices.

Every asset item in RMI is recorded in the Asset Register with proper codes to ease reference and the responsible user. The asset register shall clearly indicate the conditions of each asset and such register shall be updated annually in accordance with the Assets and logistics management procedure manual.

4.2. Clients' assets

The assets of the clients in case is entrusted within the hands of RMI shall be given similar treatment to RMI's assets. It is the responsibility of the person in charge of logistics to record all assets and belongings of the clients in the appropriate register before they hand over such assets to the designated recipient or any other member of staff.

The clients shall sign again during the pick-up of his/her assets to avoid any loss or claim against RMI. As regards to management of the RMI files, every dossier of RMI shall be kept in a safe place both in a hard and soft form and entrusted to a single officer who will manage the movement of any file. All dossiers are kept by designated officer(s) who will supply a dossier on request and make sure that it is returned in good conditions and re-filed appropriately.

The accounting files will in this regard be accorded restricted filing system and the accountant is solely responsible for the safety and security of such files. It is within his responsibility again to challenge the management on the best way accounting files can be safely kept within the institution including both physical and soft accounting information.

In case a member of staff commits a mistake due to negligence or ignorance that converts into a risk to an asset of RMI or client, such staff shall be held accountable and will bear the consequences

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
-------	-----------------------------	-------------

until he or she repairs the damage. The management shall, to extent possible, facilitate the staff to liquidate such damage without compromising the normal conduct of business or staff practices.

5. Knowledge management

The knowledge management policy and procedure manual shall be developed as a separate document. In the meantime, however, RMI value the communication, knowledge, experience, relationships and network it has so far acquired. It is therefore important that such knowledge and experiences be shared and beneficial to the institution in a sustainable manner. Constant technical staff, mutual communication, proper case record keeping and reporting shall boost the culture of knowledge sharing within RMI. RMI shall regularly organize technical staff meetings or workshops to help members appreciate the culture of sharing knowledge and information. In these workshops, specific members of staff who have experiences or new information or issues shall share them with the rest of the staff to enhance innovations in RMI's business operations.

When a member of staff resigns or suspends his or her duties, a proper handover has to be done to the new member of staff in the presence of the management. The handover report shall comprise in detail all the information related to his or her work portfolio before the staff is officially released from duty to ensure that no knowledge is lost in the process.

5. Reporting

The purpose of the year end closing procedure is to ensure timely and proper recognition and accountability of RMI's results of operations as well as the financial position for a particular year. The books of account of RMI shall be maintained in accordance with the established regulations, accounting policies and the applicable regulatory framework. The financial statements shall be prepared in accordance with, and comply with, International Public Sector Accounting Standards (IPSAS). RMI shall prepare its financial statements under the modified accrual basis of accounting except in some circumstances when the transactions will be treated on a cash basis.

Title	FINANCIAL PROCEDURES MANUAL	Revision 00
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The RMI financial year shall follow the Government of Rwanda fiscal year from 1st July to 30th June. The financial reports and any financial information shall be extracted from the books of account of RMI, and from such other sources as may be necessary; and monthly financial performance reports shall be prepared and produced to guide management decisions.

6. Conclusion

This financial procedure manual has been elaborated for RMI to enable it to comply with financial rules of procedures. It shall serve as a guide to staff in charge of accounts, finance and cash to observe all laid down procedures to ensure that RMI's financial and material resources are properly, safely and effectively managed to the best interest and practice of the institution.

This manual has therefore to be respected as a guide and a control tool to all concerned staff of RMI effective from the date of its signature.