UNIVERSITY OF NAIROBI

GRANTS FINANCIAL
MANUAL

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The purpose of this procedure manual is to provide a framework of practices and financial procedures for handling research grants. It gives guidance on delivery of financial services in accordance with international standards and practices within the financial regulatory framework to the researchers.

Overview

Grants section is a unit in Finance department and it handles grants research funds. Research is one of the key functions and also an important strategic issue of the University of Nairobi. In its pursuit to full fill Vision 2030 goals the University has expanded its activities in generation of knowledge in Science, Technology and Innovation.

Finance department is responsible for managing the University finance resources. The department plays a major role in managing Grants research. Grants section shall obtain financial advise from the Finance officer and Deputy finance officer.

All payment s related to grants should be approved by the Finance officer and Deputy Finance officer.

GRANTS FUNCTION

Grants procedures

The main objectives of Grants Section is to provide quality and efficient accounting services to the entire University community and researchers and stakeholders. To realize the objective the section will ensure the following: -

1. All payments are within the budget and comply with the University of Nairobi Financial Regulations.
2. Payment documents are received and recorded on a daily basis.
3. The documents are verified for validity and approval before payment is effected.
4. Payments made are posted into the respective ledger accounts before cheques are processed daily.
5. Ensure management, statutory and other related reports are prepared monthly basis.
6. Prepare Annual Report and Accounts in accordance with respective regulatory provisions.
7. Prepare financial reports as required by donors.

To ensure that there is efficient performance of the above functions, the section will continuously seek improvement through monitoring and evaluation of internal controls.

The process of grant starts by researcher writing a proposal which go through administrative and legal process before a contract is entered into between University of Nairobi and the donor to fund the research. The Grants section comes in managing the financial aspect of the fund. All, the account are managed in Grants office. We have two bank account for transacting with the research fund. The Kenya shilling account and Dollar Account.

Financial Management

Financial management is an integral part of the project activities. The donor will issue funds to a donor but the responsibility of accounting for money disbursed lies with the institution. Finance department has put in place controls to ensure financial resources are being properly handled. All research fund are handled in Grants section and they are guided by the Financial regulation of the institution.

Disbursement of fund

The researcher money is received in our income section through Research grant account. Receipting for donor funds is done at Income section and forwarded to grants section for opening an account or to updating the researcher account. A researcher is required to submit a remittance advice of funds granted by the donor to Income section for receipting of income received.

A recipient of donor funds should provide enough information to Grants office to enable them to do a follow up of funds received when money is received in the bank .The researcher can give remittance advice of the money sent to grants office via email or send to income section. They will be issued with an official receipt. The receipt will used to open an account (vote) in Grants Office.

Procedure for opening an Account

A vote is an account allocated to a project for its operation. Money received is credited to the account and expenses debited/charged to the same account. All transaction of the project will appear in the vote.

Each project is allocated one vote. Where a research has many projects he/she will have different account for each project.

Requirement to open an Account
- Memo of understanding(M.o.U)
- Budget for the project activities
- Template of format to be used in preparing Financial statement or doing report to the donor.

Procedure of expenditure requests

All expenditure requests submitted to Grants Section should be accompanied with duly completed AIE forms (Appendix I). Before payment is processed by grants section, approval by the Finance Officer for amount not exceeding Kshs 100,000 and for amount exceeding Kshs 100,000 by the DVC has to be confirmed. The expenditure is committed in the Vote book for budgetary control purpose and a payment voucher processed. All expenditure will be as per the budget line and expenditure will be properly documented and where good and services are procured the procurement procedures will be followed.

Procedures of committing funds

The research will return the AIE duly signed by respective signatories for Grants office to confirm whether funds are available. The commitment will be as per the budget line of the project. Grants will commit fund and update the ledger for the account to reflect the correct balance.

Processing advances

An advance is accounting document (Appendix II) issued to researchers on request for purpose of carrying research activities. It is issued to only University staff and they are expected to account for the advance taken before another advance can be issued. The advance form is restricted to only one advance for each project. The Grants section has an online system developed to issue advances.The system capture personal information of the applicant.

Some function available on the Advance online system are:
- It send a reminder to a researcher when advance fall due for accounting and is not accounted for
- It controls issuing advances to one advance per vote
- It allow booking an advance in the system when forwarded to audit department for auditing
- It allows clearing the advance in the system once it is fully accounted for
- It issue instruction to salaries section to effect recovery on the payroll for advances not accounted for

The duration for accounting for advance is one month but the researcher can request for extension if the activities of the project are estimated will take long to implemented nad complete.For advances which remains outstanding after notice is given to researcher to account, will be recovered from the recipient of the money through the payroll.Enquiries of the advances can be send through our email grants @uonbi.ac.ke.

All advance requests must be fully completed by the applicants and approved by the chairmen of the departments. They must be accompanied by a duly completed AIE forms with the approval of the College Principals. Grants section has to confirm availability of funds and compliance to the budget and that the applicant has no other outstanding advance. A payment voucher is processed after the approval is done by the Finance Officer or Deputy Finance Officers.

Procedure for accounting for Advances

Grants section has to ensure advances taken are accounted for and relevant accounting documents attached before clearing the advance from the advance register.

The researcher will issued with a form for accounting for advance (Appendix III).The researcher will submit the accounting document to the Grants section with supporting documents on how funds have been usedb as per budget line. This will be received in grants office and booked in the system to be taken to audit for checking.

The Audit department will audit whether the document presented reflect a true and fair view of the activities of the project. Once the document are verified by audit and cleared they will be returned to grants office and cleared in their register. Where the advance did not meet the auditor's requirement it will be returned to Grants section with a query for the researchers to respond. The grants will inform the researcher on query raised for them to respond.

All advances that are cleared by the audit will be cleared on the on line system and filed.

Processing of payment vouchers

Payment vouchers for approved expenditures are written and approved in Grants section after attaching relevant documents. They payment will be verified for accuracy of arithmetic and forward to audit and FIMS(Computer section) for other internal checks before processing cheque

Cheques processing and dispatch

After the cheques have been written, they are checked and forwarded to audit section for dispatch. After which they are taken to the official signatories authorized to approve UON cheques before they are dispatched to the payee. Proper recording is ensured and the cheques are recorded in a register for dispatch.

Processing of foreign currency payments

Grants section deals different current rates in processing payment. The foreign exchange rate will be negotiated between the University of Nairobi and bank staff to get the best rate for the transaction.

Exchange rates have to be confirmed with the banks before writing of payment vouchers for foreign transfers. Letters instructing the banks to pay with foreign currency to suppliers are written and approved by the University of Nairobi signatories.

Statutory obligation

All payments to individuals on taxable brackets are taxed and the P.A.Y.E deducted compiled and cheques written to the Commissioner of income tax on or before 9th of every month.
Where a researcher will require a P9 certificate to fill in their return Grants section will be responsible to prepare a P9 certificate to the recipient.

Asset management

Assets procured through Research funds are registered in the inventory register in grants section. All assets procured with research funds will be recorded in Grants Asset register and Capital section of

Finance department. The purpose of the Asset register is to safeguard Asset procured through research funds.

Financial Reports

Financial reports are statement prepared to the donors on quarterly, semi- annually and annually to account for the activities of the project to Management, donors and researchers. Financial reports will be written in grants section using the ACCPAC system where the activities of the project are captured.

Other reports prepared include Performance contract reports on donor funds, income and expenditure and final accounts reports prepared to management of University of Nairobi.

Records management

For developing a sound records management system, Grants section will be responsible for ensuring proper records for researcher are maintained up to to close out of the project. The document will be availed to the External and Internal auditors of the project for purpose of audit.
All accounting document Vouchers and other document relating to researchers will be maintained in grants office. They will be filed according to the subject and vote of the project. They will be given a sequence as they are filed for ease of reference.
Files for active project will be retained in grants office until close out of project. After close out of the project they will be tranmsfered to the achieve to create space in the office.

Computer information system

Grants as an accounting package SAGE ACCPACC which is used to capture all the entries of income and Expenditure of the researchers in the system. It is an efficient system and it will is used to extract reports for the donors. University Management Information System (UMIS) is a system used to ensure budgetary controls. It is used to ensure before expenditure is incurred funds are available before a commitment is done.

Procurement procedures

Procurement of goods and services shall comply with Public Procurement Regulations 2001.The procurement of goods and services shall be open and freely on competitive basis. The researchers are expected to obtain value for money on all its procurement procedures.

Internal controls

Internal controls are process carried out by an institution, designed to ensure soundness and adequacy of all operations. These are controls instituted by University through Audit department The Researchers are expected to comply with the internal controls procedures instituted.

Financial reporting

The section prepares reports to management and the donors. The monthly reports are prepared on a monthly basis to the management. The reports to the donor are done as per the Grant agreement which may be biannually or quarterly depending on different donor requirement.The format for preparing the financial report to a donor depends on the format provided by the donor

Banking details

The grants section operates two accounts for research activities. There is the dollar account and Kenya shilling account. The researcher will be given this account once a contract has been entered with University of Nairobi for donor to remit money to University account.

Customer care

The grants office Customer care will handle all complaints, queries and request of information to the researchers. Feedback shall be used to communicate to researchers where they are issues concerned. Complaints will be handled at first instant by our customer care personnel and responses will be handled instantly.

General information of the project

Project contact person

The principal investigator and the co-Investigator will be the official contact persons for all matters relating to the project implementation.

Appendix

List of Example of forms used