

Vouchers for Reproductive Health Services Project



Vouchers for Reproductive Health Services Project (“VMA”)

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Standard Operating Procedure (“SOP”)

TITLE: VMA BANKING AND ACCOUNTING OPERATIONS INCLUDING DISPOSITION FUND ACCOUNTING

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Document owners:

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Use only current electronic version of SOPs for reference purposes.

In hard copy, this version is only valid on the day of printing.

Wet ink signed originals are valid unless superseded by an updated version

1. OBJECTIVES

The objectives of this SOP are to ensure that:

- there are adequate segregation of duties and internal controls
- the financial resources made available to VMA are managed effectively and securely
- all receipts are accurately and completely accounted for
- all payments (transfers, cheques or petty cash) made are valid and to the achievement of VMA's objectives
- all transactions are recorded completely and accurately in the financial records
- all financial reports are reliable, accurate and complete
- authority is designed to specific bank account transactions including the opening and closing of bank accounts
- petty cash limits are maintained to ensure that the responsibility of officer is restricted on using of physical cash

2. SCOPE

This SOP is applicable to all administration and financial management of the Vouchers for Reproductive Health Services project. The SOP includes:

- Delegation of authority
- Opening and closing of bank accounts
- Managing of petty cash including receipts and payments handling, physical access control and recording
- Managing payments, including requesting of payments, approvals, cheque and transfers controls and recording
- Managing cash including cash planning, reconciliations and recording.

3. DELEGATION OF AUTHORITY

3.1 The Team Leader ("TL") has the authority to:

- Sign business and commercial contracts;
- Approve and sign financial transactions; and
- Sign cheques and bank transfers.

3.2 In the absence of Team Leader, delegation of the authority for approvals to the Deputy Team Leader ("DTL") must be made by issuance of memo to authorise the delegation of authority. Two signatures (Deputy Team Leader and Project Administrator) are required for major bank transactions and contracts. Team Leader shall inform the bank in writing (memo) on his periodical absences during the project implementation.

3.3 Team Leader holds the key of Petty Cash safe box. In the absence of Team Leader, the key will be hold by Deputy Team Leader.

4. POLICY

4.1 VMA will only maintain two sets of bank accounts:

- a) US Dollars Account for the VMA Project Fund
- b) US Dollars Account for VMA Disposition Fund

- 4.2 On 26 June 2010, a US Dollars account for project fund was opened at the ANZ Royal Bank. Another bank account for the Disposition Fund is opened at ACLEDA Bank on December 29th, 2010.
- 4.3 The bank account for VMA Disposition Fund will only be used for disbursement to AFH in respect of claims and according to KfW guidelines.
- 4.4 Petty cash payments will not exceed \$500 (five hundred US dollars) per payment and no split payments are allowed.
- 4.5 Petty cash balance on hand cannot exceed \$1,000 (one thousand US dollars).

All funds will be used effectively in the achievement of EPOS and VMA objectives and all transactions will be transparent.

5. PRE-REQUISITE

The following procedures are written based on the understanding that the VMA employs only four staff as follows: Team Leader (TL), Deputy Team Leader (DTL), Project Administrator (PAD), and Administrative Assistant (AA).

6. PROCEDURES

Activity	Segregation of duties			
	TL	DTL	PAD	AA
1. Authorisation on bank accounts:				
1.1 Maintaining of Bank Account: Team Leader has the authority to create and close those bank accounts. The TL will notify the Bank via an official signed letter to open and close bank accounts each time it is required.	X			
1.2 Designation of bank signatories: <ul style="list-style-type: none"> Signatories on both bank accounts are the Team Leader, Deputy Team Leader and the Project Administrator. The TL will notify the bank by official letter who the signatories are and what they are authorised to sign, including specimens of their signatures. Annually the TL will, in writing, confirm with the banks the signatories and again supported by latest specimens of signatures. 	X X	X	X	
2. Managing on Petty Cash				
2.1 Petty Cash Book: Administrative Assistant maintains the Petty Cash and Bank Book (Annex 1), in Excel, which records all the cash				X

payments made.				
<p>2.2 Petty Cash Safe Box:</p> <ul style="list-style-type: none"> • Petty Cash must be kept in a locked safe box. In a safe box, code will be in a sealed and signed envelope accessible for VMA management and kept in a safe place. • Team Leader will hold the key and Administrative Assistant keeps the password. In the absence of Team Leader, Deputy Team Leader will hold the key. • Spot/surprised cash count should be performed by an independent person holding the cash and reconciled it to cash book. • Cash count is developed in Cash Reconciliation Statement in below row. 	X	X		X
<p>3. Fund Receipt</p>				
<p>3.1 Funds received from EPOS:</p> <ul style="list-style-type: none"> • VMA project fund is received from EPOS Headquarters in the US Dollar account. • The Disposition Fund is received from EPOS Headquarters into a separate bank account • Administrative Assistant must check to bank statement and obtain bank credit advice to confirm the cash is received. 				X
<p>3.2 Receipt Vouchers:</p> <ul style="list-style-type: none"> • Receipt Voucher (Annex 2) is prepared by Administrative Assistant and approved by Team Leader. Receipt Vouchers must indicate the date of receipt, purpose of receipt and account code to be credited. Receipt Vouchers issues for funds received in replenishment of expenditure of the previous quarter. • Administrative Assistant prepares the Acknowledgement of Funds Receipt (Annex 3), signed by Team Leader and send to EPOS to confirm the amount of cash receipt. This letter should be attached to the Receipt Voucher. 	X			X
<p>4. Disbursement</p>				
<p>4.1 Cash disbursed to AFH:</p> <ul style="list-style-type: none"> • Administrative Assistant prepares a Cash Disbursement Request (Annex 4) form attached with budget proposal or summary of expenditure from AFH. • Team Leader checks and approves on the form and passed to Administrative Assistant to prepare a 				X

Payment Voucher	X			
4.2 Cash disbursed to others: <ul style="list-style-type: none"> For other operating payments, the bank account for VMA Project Funds is used. For such disbursement, Administrative Assistant prepares Payment Voucher and passes to Team Leader for approval. 	X			X
4.3 Payment Vouchers: <ul style="list-style-type: none"> Cheque and Cash Payment Vouchers (Annex 5) must be issued for all payments by cheque or bank transfer while Cheque and Cash Payment Voucher (Annex 5) is issued for all payments by petty cash. The original supporting documents (PR, PO, GRN, Invoice, receipts etc) must always be attached to those vouchers. Administrative Assistant then retains those supporting documents and kept in the office. Both Cheque Payment Voucher and Petty Cash Payment Voucher must indicate: <ul style="list-style-type: none"> Voucher number as serial with the initiation of vouchers such as CPVxxxx or PCVxxxx. The amount of payments stated with currency The name of the payees proved by signature of receiving cash or cheque. In case that the signature of payee has not been obtained, adequate documents must be attached to the vouchers. Description of the expense reference to invoice number, date of purchase...etc The Payment Vouchers are prepared by Administrative Assistant, checked and verified by Deputy Team Leader and approved by Team Leader. Upon payment, all supporting documents (e.g. invoice, receipts etc) should be stamped "paid" by AA to avoid duplicate payment. AA registers cheque payments in Petty Cash and Bank Book (Annex 1). A chart of account should be established by AA and approved by TL 	X	X		X
				X
				X
	X			X

<p>4.4 Use of cheques:</p> <ul style="list-style-type: none"> • Only one cheque book must be used at any one time and spare cheque books must be kept in the safe box. • Administrative Assistant requests to bank for purchasing a cheque book which is serially numbered. If no such serial numbering system exists, Administrative Assistant must number the cheque serially, in ink, starting with No.1, upon receipt of cheques. The numbering sequence must be continued without interruption for cheques books received subsequently. • Administrative Assistant controls the stock of cheque books by a register in which a receipt and issues must be recorded. All cheques must be accounted for. Cheques shall be made out to a payee who is the provider of goods and/or service as evidenced by supporting documentation. Cheques shall never be made out to third parties or to non-defined payees e.g. bearer, cash, etc. • Cheque shall not have erasures or corrections. If a mistake is made anywhere on a cheque it should be voided and a new cheque prepared. Voided cheque must be marked so clearly. Team Leader must sign on those cheques to ensure that this instruction is adhered to. • Signed cheques must be kept in secure location within Administrative Assistant, and placed in the safe all the time. When held for pickup, Administrative Assistant must compare cheques with the register before releasing them to payees and proof of recipient must be identified on a copy of the cheques. • A voided cheque is one that, owing to an error in preparation, is not actually used. Administrative Assistant must care that such a cheque is properly "voided". If, for any reason, cheques are returned by the payees, such cheques must be voided and the original entry should be reversed. • Administrative Assistant must account for outstanding cheques in cash reconciliation form prepared at the end of each month when closing the monthly accounts. • Signature on the cheques is stated in the designation of signatories section. • Cheque must not be signed before all required information is clearly stated. 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>		<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	
<p>4.5 Bank Transfers:</p> <ul style="list-style-type: none"> • Bank transfer, where the local banking system can process bank transfers promptly and accurately, this method of payment can be used. When payments are made by means of a bank transfer, officially noted Bank Transfer Request, should be prepared using the forms 				

<p>provided by the bank for this purpose.</p> <ul style="list-style-type: none"> • Administrative Assistant completes on the Bank Transfer Request form referring to supporting documents for payment. • Signatories team signs on the form. • Then Administrative Assistant brings the transfer form to the bank for execution. 	X			X
<p>4.6 Bank Statements:</p> <p>Administrative Assistant obtains bank statements immediately after the end of each month from respective banks. The bank statements must be obtained with the original copy.</p>				X
<p>4.7 Bank Reconciliations:</p> <ul style="list-style-type: none"> • The Bank Reconciliation (Annex 6) is made for each account on monthly basis, reconciled between balance per bank and balance per book (Petty Cash and Bank Book, annex 1). It shall be prepared and approved by Administrative Assistant and Team Leader respectively. • In the case of differences, the explanations need to be given with proper justification and the adjustments shall be made to correct the difference noted. 	X			X
<p>4.8 Cash Reconciliation Statement:</p> <ul style="list-style-type: none"> • Cash count is performed by Administrative Assistant or a person who is not involve of handling the petty cash, on a regular basis in order to reconcile the actual cash against the petty cash book (Petty Cash Book). The count is performed on monthly basis. • Any discrepancies found during the count and reconciliation should be investigated immediately, document these reasons on the form and reports to a supervisory. • Cash Reconciliation (Annex 7) must be prepared showing the actual counted date, time of count and signed by the counter with verification of supervisory officer. • Finally, Team Leader has to approve on the Cash Reconciliation Statement. 	X		X	X
<p>5. Accounting Record and Financial Reporting</p>				
<p>5.1 Journal Vouchers:</p> <p>5.1.1 AA prepares a Journal Voucher (Annex 8), where needed, posts in the office accounting system or Excel if the VMA is using Excel. The purpose of Journal Voucher is to adjust the accounts, i.e., when a</p>				

<p>Payment or Receipt Voucher has been issued containing erroneous account codes, recoding with incorrect amount or reimbursing and repayment of advance. Before posting into the account system, it must be approved by Team Leader and posted into system by Administrative Assistant.</p> <p>5.1.2 Journal Vouchers must indicate the journal number with sequence, date of adjustment of transaction, description, account codes and adjusted amount.</p>	X			X						
<p>6. Monthly Financial Report:</p> <p>6.1 On the monthly basis, the AA prepares the Fund Balance Reconciliation (Annex 9) and TL reviews and approves it. Fund Balance Reconciliation should be in the below form:</p> <p>Opening fund receipts XXX</p> <p>Add: fund receipts during the month/period XXX</p> <p>Less: Disbursement during the month/period <u>(XXX)</u></p> <p>Fund balance at the end of the month/period XXXX</p> <p>Represented by:</p> <table data-bbox="300 1144 874 1279"> <tr> <td>Cash on hand</td> <td>XXX</td> </tr> <tr> <td>Cash at bank</td> <td>XXX</td> </tr> <tr> <td>Cash advance**</td> <td><u>XXX</u></td> </tr> </table> <p><u>XXXX</u></p> <p>Un-reconciled balance (must be nil) 0</p> <p>**: Depending on the practice/accounting policy of VMA, this could be directly charged to expense or kept as advances.</p> <p>6.2 The report summarized the key accounting records showing the status of the project funds for a whole month and year to date. The report shall include:</p> <ul style="list-style-type: none"> - Statement of Funds Balance - Detail listing of fund receipts - Summary of Expenditure - Monthly Bank Reconciliation - Petty Cash count sheet - Analysis of financial data between actual vs. budget <p>Monthly financial report shall be prepared and checked by</p>	Cash on hand	XXX	Cash at bank	XXX	Cash advance**	<u>XXX</u>	X			X
Cash on hand	XXX									
Cash at bank	XXX									
Cash advance**	<u>XXX</u>									

8. ANNEXES: 9

Vouchers for Reproductive Health Services Project



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Address: PO Box 585
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Phnom Penh, Cambodia
Phone: 855 – (0) 23 6699900, Mobile: 855 – (0) 77 459 233

Date:

Attn: **Name of respect to**
Position of respect to

Subject: Acknowledgment of Funds Receipt

Dear Sir/Madam,

Referring to Credit Advice from Bank:

- Date
- Transfer Number
- Amount received in bank

VMA would like to confirm that we have received fund transfer from your bank as the amount

Detail credit advice from bank is attached as below:

We have very much appreciated your confidentially consideration.

Regards,

Name:

Position:

Voucher Management Agency



Voucher Management Agency

Disbursement Request Form

Check for applicable:
 Purchase

 Cheque

 Advance (excluded event)

 Cash

ITEM	DESCRIPTION	QTY	AMOUNT		
			UNIT PRICE	KH RIELS	US\$
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
TOTAL					\$ -

PREPARED BY: Cha Chandara	DATE:	
POSITION TITLE: Administrative Assistant		
APPROVED BY : Dr. Marcel Reyners	DATE:	
POSITION TITLE: Team Leader		

Voucher Management Agency

Annex 5-Cheque and Cash PV



PRICEWATERHOUSECOOPERS



PAYMENT VOUCHER

Voucher #:

Vendor / Payee Name: _____

Address: _____

Activity Code	Description	Location	Sub Project Code	Budget Code	Riel Amount	US\$ Amount
TOTAL AMOUNT						

Written Amount:

(Supporting documentation must be attached to all payment vouchers as defined by SOP)

Prepared by: _____ Date: _____

APPROVED BY: _____

Reviewed by: _____ Date: _____

Title: Team Leader Date: _____

RECEIVED BY:

(Printed) Name: _____ Signature: _____ Date: _____

Cheque
 Cash
 Transfer

Check No: _____

Check Date: _____

Voucher Management Agency

Voucher for Reproductive Health Services Project

VMA-BANK RECONCILIATION

MONTH/YEAR: _____

LOCATION: _____

ACCOUNT: _____ US\$

1. BALANCE PER BANK STATEMENT - LAST DAY OF MONTH (Date:.....) _____

2. Outstanding Checks

CHECK NO.	AMOUNT
	0.00
	0.00

0.00

3. ADJUSTED BANK BALANCE (must agree with balance below)

0.00

(1-2=3)

4. CASH REPORT BALANCE AT BEGINNING OF MONTH

0.00

5. Plus: Total wires from EPOS account this period

0.00

6. Less: Total US\$ disbursements of (Date:.....)

0.00

7. CASH REPORT BALANCE AT END OF MONTH (4+5-6 = 7)

0.00

8. DIFFERENCE:

0.00

Prepared by:

Review by:

Approved by

Name:

Name:

Name:

Position:

Position:

Position:

Date: _____

Date: _____

Date: _____

Voucher Management Agency

Voucher for Reproductive Health Services Project

CASH Reconciliation

LOCATION: _____

MONTH/YEAR: _____

ACCOUNT: _____ US\$

1. BALANCE AT THE BEGINNING OF MONTH (Date:)

0.00

	DATE	AMOUNT	
2. Replenishment			
			0.00

	DATE	AMOUNT	
3. Disbursement during the period			

4. ADJUSTED CASH BALANCE (must agree with balance below) (1+2-3 = 4)

0.00

5. CASH REPORT BALANCE AT (Date:)

	NOTE	No.	AMOUNT	
	100		0.00	
	50		0.00	
	20		0.00	
	10		0.00	
	5		0.00	
	1		0.00	0.00
Riel Amount				<u>0.00</u>

0.00

6. DIFFERENCE

0.00

Prepared by _____

Reviewed by: _____

Approved by _____

Name:

Name:

Name:

Position:

Position:

Position:

Date: _____

Date: _____

Date: _____

Voucher Management Agency

Fund Balance Reconciliation

As of

Description	Debit	Credit	Balance
Opening fund receipts	X		
Add: fund receipts during the month/pe	XXX		
Total Fund Available	XXXX		
Less: Disbursement during the month/period		XXX	
Fund balance at the end of the month/period (1)			X
Represented by:			
Cash on hand			X
Cash at bank			X
Cash advance**			X
Total Fund Represented (2)			X
Un-reconciled balance (must be nil) (3:			X

Prepared by:

Reviewed by:

Approved by:

Name:

Position:

Date: _____

Name:

Position:

Date: _____

Name:

Position:

Date: _____