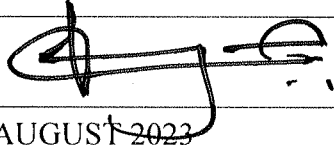




**SEKU/MR/OP/ 014: PROCEDURE FOR BUDGET AND BUDGETARY CONTROL**

AUTHORIZATION: This procedure has been issued under the authority of the MR	
TITLE/POSITION:	DVC – CS/ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
DOCUMENT CONTROL	
ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
SEKU	CORPORATE

## **1.0 PURPOSE**

The purpose of this procedure is to ensure that an attainable budget that conforms to the rules and regulations set out by the Government of Kenya and the University is prepared within the prescribed period and format and to control expenditure arising out of the approved budget.

## **2.0 SCOPE**

This procedure shall apply in the budget making and budget control activities of South Eastern Kenya University.

## **3.0 REFERENCES**

1. Treasury circulars
2. MOHEST circulars
3. Public Audit Act (2003)
4. Budgetary Control Guidelines

## **4.0 DEFINITIONS AND ABBREVIATIONS-**

**MoEST** – MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY

## **5.0 RESPONSIBILITIES**

The Director Finance under the guidance of the Deputy Vice Chancellor (Finance, Planning & Development) shall be responsible for this procedure.

## **6.0 PROCEDURE DETAILS**

- 6.1 Respective Deans/Heads of Departments shall forward their expected personnel and projected operations expenditure needs for the coming financial year to the Deputy Vice Chancellor – CS. They shall, at the same time submit a comprehensive list of equipment and other items that shall be needed for that period to the Director Procurement so that they are included in the Master Procurement Plan.
- 6.2 The Director Procurement shall forward the Master Procurement Plan with recommendations to the Deputy Vice Chancellor – CS.

- 6.3 The Deputy Vice Chancellor - CS shall table the departmental estimates and procurement plans to the University Budget Committee for their input and forward the documents to the Finance officer.
- 6.4 The Director Finance shall prepare a draft budget incorporating the recommended changes where necessary and using the appropriate budgeting method, subject to the financial rules and regulations of the Kenya University and in the format prescribed by Treasury.
- 6.5 The Draft Budget shall be presented to the Management Board for discussion and rationalization.
- 6.6 The Draft Budget shall then be forwarded to the University Council for consideration.
- 6.7 The University Council sub – committee on Finance and General Purpose shall consider the Draft Budget and make any recommendation deemed necessary. If dissatisfied with the Draft, the Council shall refer it back to the University Management together with their recommendations or amendments.
- 6.8 If satisfied, the Council shall approve the Draft upon which the title changes from Draft to Approved Budget and it is adapted as the binding budget for the year under review. A copy of the Approved Budget is sent to the Treasury, through the Parent Ministry as the official Kenya University budget.
- 6.9 The budget is considered and approved by the parent ministry and Treasury.
- 6.10 The Finance Officer, through the Budgetary Control Section, then ensures that the budget is administered in accordance with the approved allocations, budget policy and regulations.
- 6.11 In order to keep abreast with emerging issues or the economic realities that may affect the budget, a revision of the approved budget shall be made during the financial year by the Director Finance and presented to the University Management. If satisfied with the need for the amendment(s), the Management shall forward it for approval by Council. If dissatisfied, they shall recommend the areas to be amended before their approval.



**SEKU/MR/OP/015: PROCEDURE FOR ADVANCE PAYMENTS (IMPREST) AND ACCOUNTING**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS / ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
DOCUMENT CONTROL	
ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
UNIVERSITY	CORPORATE

## **1.0 PURPOSE**

The purpose of this procedure is to ensure efficient and effective management of Advance payments and accounting.

## **2.0 SCOPE**

This procedure applies to all Officers of South Eastern Kenya University.

## **3.0 REFERENCES**

1. South Eastern Kenya University Accounting Manual (2011)
2. International Financial Reporting Standards
3. International Auditing Guidelines
4. Public Audit Act (2003)

## **4.0 DEFINITIONS AND ABBREVIATIONS**

**CS** Corporate Services

**MoEST** MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY

**FO** FINANCE OFFICER

## **5.0 RESPONSIBILITIES**

The Director Finance is responsible for organizing and coordinating all the day to day activities geared towards achieving the goals of this procedure.


## **6.0 PROCEDURE DETAILS**

- 6.1** A member of staff shall complete, sign and deliver the Imprest Warrant form: **SEKU/FPD/FIN/IMP/F-02** (appendix) to Expenditure Debtors section after.
- 6.2** After checking the availability of funds in the vote head to be charged authorization by the respective Dean of the School/Head of Department is sought.
- 6.3** An Imprest payment voucher; **SEKU/FPD/FIN/IMP/F-08** (Appendix) is prepared and then forwarded to Budgetary Control for commitment.
- 6.4** Budgetary Control shall then commit, sign and forward it to Examination Section for verification of its correctness and accuracy.
- 6.5** If it correctness and accuracy is ascertained then it is forwarded to the Internal Audit Department for pre- audit.
- 6.6** The audited payment Voucher is then forwarded to the Vice Chancellor/Deputy Vice Chancellor/Director Finance to seek approval for payment.
- 6.7** The approved Payment voucher is then forwarded to cash office for payment.

- 
- 6.8** The member of staff accounts for the advance using form **SEKU/FPD/FIN/IMP/F-03** (appendix).
- 6.9** In case the member of staff does not account for the Advance within the stipulated period, the amount shall be recovered in full from his/her salary.



**SEKU/MR/OP/016: PROCEDURE FOR PAYMENT TO CREDITORS**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS / ISO MR
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DATE OF ISSUE:	AUGUST 2023
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REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
UNIVERSITY	CORPORATE

## 1.0 PURPOSE

The purpose of this procedure is to ensure efficient payment of creditors

## 2.0 SCOPE

The procedure shall be used in the settlement of all creditors in South Eastern Kenya University

## 3.0 REFERENCES

1. South Eastern Kenya University Accounting Procedures (2011)
2. International Financial Reporting Standards
3. International Auditing Guidelines
4. Public Audit Act (2003)

## 4.0 DEFINITIONS AND ABBREVIATIONS:

**Payment Proposal:** Shows the aged summary of the creditors and the payment proposal for the period.

**AIE:** Authority to Incur Expenditure

**GRN:** Goods Received Note

**PV:** Payment Voucher

## 5.0 RESPONSIBILITIES

The Director Finance is responsible for organizing and coordinating all the day to day activities geared towards achieving the goals of this procedure.

## 6.0 PROCEDURE DETAILS

### 6.1 Issuance of an LPO

**6.1.1** An approved request for purchase of goods or services is received from the Procurement Department, together with a copy of Procurement committee meeting minutes, Purchase requisition Note (PRN) and a duly raised AIE (**Form No 5 appendix**) by the user Department

**6.1.2** The Accountant – Budgetary Control commits the expenditure and the AIE is then forwarded to the Internal Audit Department for pre-audit.



**6.1.3** The audited AIE form is then forwarded to the Vice Chancellor for approval. An approved AIE is then forwarded to the Procurement Department for issuance of an LPO.

## **6.2 Processing of Payment to suppliers**

**6.2.1** Once goods are delivered, Invoices received together with duly signed GRN, inspection certificate and white copy of the LPO are forwarded to the Vice Chancellor/ Deputy Vice Chancellor - CS by the Director Procurement to seek approval for payment. Approved requests are then forwarded to the Director Finance for payment.

**6.2.2** The Accountant Expenditure shall prepare the payment voucher and forward to the Examination Section for examination.

**6.2.3** If a payment voucher is not correct, the Accountant Examination shall reject it, give his/her comments, record and forward it to the Accountant Expenditure for rectification.

**6.2.4** The examined payment voucher is taken to the Internal Audit office for pre-Audit

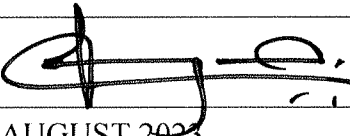
**6.2.5** The Audited payment voucher is then taken for approval to the Vice Chancellor/ Deputy Vice Chancellor – CS.

**6.2.6** Once approval is granted, the payment vouchers and the approval instructions are forwarded to the Accountant Cash Office.

**6.2.7** An ageing list shall be prepared on a monthly basis by the Accountant Cash office and submitted to the Director Finance who then shall seek approval from Vice Chancellor/ Deputy Vice Chancellor - CS for payment.



**SEKU/MR/OP/017: PROCEDURES FOR PAYMENT OF PERSONAL CLAIMS**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS / ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
DOCUMENT CONTROL	
ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
COLLEGE	CORPORATE

## **1.0 PURPOSE**

The purpose of this procedure is to ensure efficient payment of creditors

## **2.0 SCOPE**

The procedure shall be used in the settlement of all creditors in South Eastern Kenya University

## **3.0 REFERENCES**

1. South Eastern Kenya University Accounting Procedures (2011)
2. International Financial Reporting Standards
3. International Auditing Guidelines
4. Public Audit Act (2003)

## **4.0 DEFINITIONS AND ABBREVIATIONS:**

<b>AIE:</b>	Authority to Incur Expenditure
<b>GRN:</b>	Goods Received Note
<b>PV:</b>	Payment Voucher

## **5.0 RESPONSIBILITIES**

The Director Finance is responsible for organizing and coordinating all the day to day activities geared towards achieving the goals of this procedure.

## **6.0 PROCEDURE DETAILS**


- 6.1 An approved request by the Vice Chancellor/Deputy Vice Chancellor – CS for payment or reimbursement to a member of staff is received by the FO.
- 6.2 The Director Finance then forwards the approved request for payment to the accountant in charge of expenditure.
- 6.3 The Accountant Expenditure prepares a payment voucher and forwards the documents to the Budgetary Control Section for commitment in the vote book.
- 6.4 The committed payment voucher is forwarded to the Examination Section for examination.
- 6.5 If a payment voucher is not correct, the Accountant Examination shall reject it, give his/her comments, record and forward it to the Accountant Expenditure for rectification.
- 6.6 The examined payment voucher is taken to the Internal Audit office for pre-Audit

**6.7** The Audited payment voucher is then taken for approval to the Vice Chancellor/ Deputy Vice Chancellor (CS)/FO.

**6.8** Once approval is granted, the payment vouchers and the approval instructions are forwarded to the Accountant Cash Office.



**SEKU/MR/OP/018: PROCEDURE FOR STUDENT FINANCE**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS / ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
DOCUMENT CONTROL	
ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
UNIVERSITY	CORPORATE

## PURPOSE

The purpose of this procedure is to ensure that the Student Finance conforms to the rules and regulations set out by the government and the University.

## SCOPE

This procedure shall apply in the Student Finance activities of South Eastern Kenya University.

## REFERENCES

1. Treasury circulars
2. MoEST circulars
3. Employees Act
4. Public Audit Act (2003)
5. Budgetary Control Guidelines
6. South Eastern Kenya University Finance Regulations

## DEFINITIONS AND ABBREVIATIONS-

<b>CS</b>	CORPORATE SERVICES
<b>MoEST</b>	MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY
<b>HELB</b>	HIGHER EDUCATION LOAN BOARD

## RESPONSIBILITIES

The Director Finance under the guidance of the Deputy Vice Chancellor – CS shall be responsible for this procedure.

## PROCEDURE DETAILS

### **6.9 Receiving Fees from students**

**6.9.1** A bank slip, a cheque or any other acceptable evidence of payment is received and verified by the accountant – student finance against the bank statement.

**6.9.2** A receipt shall be issued on the amount paid to the payee.

**6.9.3** The advice slip is then crossed and the receipt number written on it. A Copy of the receipt is attached to the bank slip.

**6.9.4** The student's account is then updated with the payment.

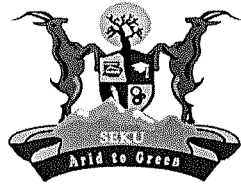
### **6.10 HELB Disbursements**

**6.10.1** A receipt shall be issued to HELB once funds are received.

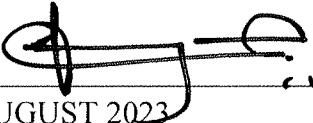
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**6.10.2** The student accounts shall be credited by allocating the funds received as per the list provided by HELB.

**6.10.3** A HELB control account shall prepare to show the allocation of the funds received. Any amounts not allocated are to be refunded back to HELB.



**SEKU/MR/OP/019: PROCEDURES FOR PAYMENT OF SALARIES**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS / ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
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ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
UNIVERSITY	CORPORATE



## **1.0 PURPOSE**

The purpose of this procedure is to ensure that payroll preparation and payment of salaries is operated correctly, efficiently and effectively.

## **2.0 SCOPE**

The procedure applies to all employees of South Eastern Kenya University who are paid salaries through the payroll.

## **3.0 REFERENCES**

1. Terms of Service 2011 for senior staff, Middle grade staff and junior staff respectively.
2. Collective Bargaining Agreements (CBAs)
3. Government circulars
4. Public Audit Act (2003)

## **4.0 DEFINITIONS AND ABBREVIATIONS**

**CS**       CORPORATE SERVICES

**DFA**      DIRECTOR FINANCE AND ACCOUNTING

## **5.0 RESPONSIBILITIES**

The Director Finance (DFA) is responsible for organizing and coordinating all the day to day activities geared towards achieving the goals of this procedure.


## **6.0 PROCEDURE DETAILS**

- 6.1. Letters of Authority specifying details of any changes to the payroll shall be received from the Deputy Vice Chancellor Corporate Services by the DFA who then forwards them to the accountant - Salaries.
- 6.2. The Salaries section shall verify all documents before effecting any changes.
- 6.3. A record shall be prepared to match or is amended as per the instructions of the DVC – CS.
- 6.4. The Accountant Salaries shall ensure that all recoveries other than statutory deductions should be authorized by the employees through agreed channels.
- 6.5. At the 15<sup>th</sup> day of every month a first run of the payroll shall be printed and forwarded to the Director Finance for verification and corrections.
- 6.6. A second run of the payroll shall be prepared with changes, if any, on 8.7 above and shall be forwarded to the audit Department for pre-audit.

- 6.7. Once audited, Payment vouchers in respect of net salaries and all deductions shall be prepared and taken to Examination section to be examined.
- 6.8. The examination section shall verify the correctness of payment vouchers and forwards them for approval by the Vice Chancellor/Deputy Vice Chancellor - CS through internal audit. The approved payment vouchers are then forwarded to the accountant in charge cash office.
- 6.9. The accountant in charge of payroll shall ensure that all statutory deductions are remitted by the due dates specified in legislation.
- 6.10. The salaries section shall then send pay slips to respective members of staff through their staff portal.



**SEKU/MR/OP/020: PROCEDURE FOR MANAGING PROJECT FINANCES**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS / ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
DOCUMENT CONTROL	
ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
UNIVERSITY	CORPORATE

## **1.0 PURPOSE**

The purpose of this procedure is to manage finances for donor- funded research projects and Kenya University research grants awarded to members of staff.

## **2.0 SCOPE**

The procedure shall apply to all donor funded research projects and research grants in the South Eastern Kenya University.

## **3.0 REFERENCES**

1. South Eastern Kenya University Research Policy (2011)
2. Government circulars
3. SEKU Quality Manual
4. Respective MOUs for Donor Funded Projects.

## **4.0 DEFINITIONS AND ABBREVIATIONS**

**CS:** Finance, Planning and Development

**MOU:** Memorandum of Understanding

## **5.0 RESPONSIBILITIES**

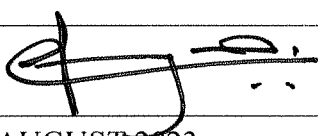
The Director Finance shall be responsible for implementation of this procedure.

## **6.0 PROCEDURE DETAILS**

- 6.1. The researcher shall prepare and submit a proposal for funding
- 6.2. If the proposal is approved, the researcher shall be notified of the grant award and submits a contract and approved budget.
- 6.3. Confirmation of receipt of funds from Cash Office.
- 6.4. A vote shall be opened as per the approved budget.
- 6.5. Request of funds shall be made to the Vice Chancellor/ Deputy Vice Chancellor - CS and upon approval, a payment voucher and Imprest is processed at the finance, grants section as in SEKU/FPD/FIN/EXP 02.
- 6.6. After utilization of funds, the researcher accounts and submits returns to the grants section as in SEKU/FPD/FIN/EXP 02.
- 6.7. Preparation of financial reports to the donors as per their requirements and standards.



**SEKU/MR/OP/022: PROCEDURE FOR CASH OFFICE**

AUTHORIZATION: This procedure has been issued under the authority of: MR	
TITLE/POSITION:	DVC – CS /ISO MR
SIGNATURE:	
DATE OF ISSUE:	AUGUST 2023
DOCUMENT CONTROL	
ISSUE NO	03
REVISION NO	03
Controlled issue of this procedure shall be final in case of dispute	
UNIVERSITY	CORPORATE

## **1.0 PURPOSE**

The purpose of this procedure is to ensure efficient collection and disbursement of funds and effective maintenance of cash office records'

## **2.0 SCOPE**

This procedures applies to Cash Office transactions in SEKU.

## **3.0 REFERENCES**

1. South Eastern Kenya University Accounting Procedures (2011)
2. International Financial Reporting Standards
3. International Auditing Guidelines
4. Public Audit Act (2003)

## **4.0 DEFINITIONS AND ABBREVIATIONS**

**CS**               CORPORATE SERVICES

**DFA**             DIRECTOR FINANCE AND ACCOUNTING

## **5.0 RESPONSIBILITIES**

The DFA is responsible for organizing and coordinating all the day to day activities geared towards achieving the goals of this procedure.

## **6.0 PROCEDURE DETAILS**

### **6.1. Procedure for Revenue Collection:**

- 6.1.1. The revenue cashier shall receive deposit slips/cheques and issue automated receipts Form SEKU/FPD/FIN/INC/F-04 (Appendix) for the amounts paid to South Eastern Kenya University.
- 6.1.2. The revenue cashier shall maintain a record of all moneys received by the University.
- 6.1.3. The Accountant in charge shall check the CV and the cash received and investigate any discrepancy
- 6.1.4. The Accountant in charge shall ensure that all amounts collected are banked (deposited) the next working day following the date of receipt.
- 6.1.5. Direct banking shall be receipted against bank statements.

6.1.6. The Accountant shall cause entries to the Cash Book of all amounts received to be done and the Cash Book shall be balanced daily at the end of each day.

6.2. Procedure For Payments: - cheque payments

6.2.1. The authority to make payments shall be granted by the Vice Chancellor or The Deputy Vice Chancellor CS.

6.2.2. The Accountant shall verify all payments vouchers before effecting payments

6.2.3. The Paying Cashier shall then draw cheques from the specified bank accounts to the payees named in the payment vouchers.

6.2.4. The Accountant shall forward all drawn cheques to relevant signatories for signing.

6.2.5. The signed cheques shall then be taken back to Cash Office for dispatch by use of the dispatch register.

6.2.6. The Accountant shall ensure posting to the Cash Book of all cheques drawn.

6.2.7. The Accountant shall ensure that paid vouchers are properly filed serially by cheque number and as per respective bank accounts.

6.2.8. Cheques signed but are not collected or presented to the bank for payment within six months shall become stale. Such cheques shall be reversed and appropriate entries made in the respective cash books.

6.3. Procedure for Payments: - cash payments

6.3.1. The authority to make payments shall be granted by the Vice Chancellor, the Deputy Vice Chancellor – CS. or the DFA

6.3.2. Payment vouchers to be paid by cash are forwarded to the payment cashier, who shall pay from the authorized petty cash float.

6.3.3. The cashier shall ensure that the payment shall be made to the rightful payee, who shall sign at the bottom of the payment voucher to acknowledge receipt of payment

6.3.4. Once the petty cash float is exhausted by 75%, a petty cash summary sheet showing all cash payments shall be prepared and attached to the payment voucher for recoupment. The recoupment should only be for the amount spent. The total cash in hand plus the amount recouped must be equal to the authorized petty cash float.

6.3.5. The Accountant – Cash Office shall check the PV and it shall be taken to the Audit Department for pre-audit.

#### 6.4. Procedure for Investment of Surplus Funds

- 6.4.1. Any excess funds shall be invested in treasury bills/bonds or fixed deposits in government banks in line with the relevant Treasury Circulars.
- 6.4.2. The Accountant shall inform the Director Finance whenever there are surplus funds or funds that are not to be used immediately.
- 6.4.3. The Accountant shall in consultation with DFA seek approval for investments of these funds from the Vice Chancellor.
- 6.4.4. Payment vouchers shall then be prepared to invest the funds in the manner approved.
- 6.4.5. The Accountant shall keep and maintain Register for Investments, indicating the duration of the investment, maturity, rollover dates and the income earned from the investments.

#### 6.5. Procedure for Custody of Cheques

- 6.5.1. The Director Finance shall designate Officers authorized to operate University bank accounts on behalf of the University.
- 6.5.2. The authorized Officers shall be supplied with cheque books against approved requisitions.
- 6.5.3. The cheque books shall be kept under lock and key.
- 6.5.4. Only one cheque book shall be used for each account at a time.
- 6.5.5. Counter-foils of used cheque books shall be securely kept in the custody of the Accountant- Cash Office