



MAKERERE UNIVERSITY

# GRANTS FINANCIAL MANAGEMENT

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**HEAD FINANCE – GAMSU/ MAK-RIF**



# BACKGROUND



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This presentation has been developed in reference to relevant laws and policies that govern public financial management including but not limited to;

- Public Finance Management Act 2015
- Universities and Other Tertiary Institutions Act (2001) as amended
- Procurement and Disposal of Public Assets Act (2001)
- Treasury Instructions 2017
- University policies such as the Grants Administration and Management Policy 2020, Makerere University Financial Manual 2014.
- Agreements, contracts and MOU's with donors among others



# KEY OBJECTIVES



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At the end of this presentation, participants should be able to;

1. Appreciate source of authority for project financial management
2. Appreciate the key Grants financial management processes and procedures
3. Understand how to invoice for project finances
4. Appreciate the role of GAMSU in project financial management.
5. Understand the common key issues in project financial management and their indicators



# GRANTS FINANCIAL MANAGEMENT PROCESSES



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- A Financial Management Process is a method by which costs (or expenses) incurred on the project are formally identified, approved and paid. Examples of costs include; Labour, external suppliers, contractors and consultants.
- Major processes are;
  - a) Financial Planning
  - b) Financial Control
  - c) Administration and Records.
  - d) Reporting and Auditing



# WHAT WE NEED TO KNOW



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- Sources of Authority (PFMA, UOTIA, GAMP)
- Reporting relationship (Accountants, Auditors)
- Respect to statutory deadlines (Budgeting, Reporting, Auditing)
- Work Ethics (Integrity, Objectivity, Confidentiality Professional due care)
- Accountability management ( should not be construed to mean accounting for advances)
- Key stakeholders in project Financial Management and how the impact on operations



# MANAGING PROJECT FINANCES



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- Project account setup
- Invoicing
- Disbursements
- Documents/Records Management
- Compliance and accountability management
- Financial reporting
- End of project reporting and procedures



# INVOICING FOR PROJECT FUNDS



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- **Government:**

- a) Appropriation by parliament (warrants)

- **Projects:**

- a) Advances (funds disbursed in advance, prepayment)

- b) Re-imburement (spend and get refund Post payment)

- c) Direct payments e.g. (travel per-diem and others paid directly by the funders) rates for funders



# DISBURSEMENT



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- Electronic funds transfer (EFT, RTGS)
- Cheque
- Letter of credit
- Mobile money
- E-cash
- Cash





# ROLE OF GAMSU IN GRANTS FIN MGT



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- Monitoring of grants Budgets for proper use
- To receive and consolidate of project annual budgets from various Units of the University
- Preparing regular monitoring and evaluation meetings with project heads
- Provision of documentation and information required by grantors (one stop reporting Centre)
- Collection and consolidation of quarterly and annual financial and physical performance reports
- Coordination of grants annual audits
- Coordinating collection of project overheads



# ISSUES IN GRANTS FIN MANAGEMENT



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- Non compliance to laws policies and procedures (reporting dates, formats, authorities etc.)
- Under/over budgeting
- Lack of appreciation of financial and procurement procedures/ arrogance (orders)
- Ignoring statutory costs when budgeting e.g. taxes, NSSF LST etc.
- Not following terms within the contracts/ Agreements with funders
- Lack of proper documentation/Inadequate or untimely submission of reports
- Incompetent or lazy project staff/Nepotism/Non-credible or competent partners, Conflicts of interest
- Failure to account for funds
- Over-spending of funds/Unauthorized expenditures, misuse
- Discrepancies between narrative and financial reports



# WARNING SIGNS



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- Sudden massive un explained requests/ payments/advances to one person ‘one-man missions’
- Frequent excuses e.g. sickness, other engagements, field issues etc
- lack of supporting documents
- Failure to follow the procedures/ frequent urgent requests/payments
- Complaints of loss of records and or alteration of documents
- Unusual patterns in deposits and cash in transit
- Preference to work with specific people/staff or vendor
- Common names and addresses for refunds
- Photocopied documents and electronic signatures
- Un explained adjustments or last minute rush



# REPORTS



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- Income and Expenditure Reports
- Physical Performance Reports
- Accountability Reports
- Audit reports
- Sample.....



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***THANK YOU***