

MINISTRY OF EDUCATION AND SPORTS

**EDUCATION MANAGEMENT STRENGTHENING
INITIATIVE: MANAGING FOR QUALITY**

*MODULE 3—
MANAGING SCHOOL FINANCES*

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FOREWORD

Managers are responsible for the effective and efficient use of resources to meet the objectives of their organization or institution. These resources may be human, material or financial. Module 1 – Leadership in Education- assisted managers to capture the best of the human resources available to them and to manage other resources, such as time, well in order to improve Uganda’s education system. Module 2 introduced a planning process for managers to use with other stakeholders to increase participation and agree on a road map for improving a school or institution. Once priorities, strategies, and activities are agreed upon, budgeting is the next step in the planning process. The third module in this series focuses primarily on the management of the financial and material resources that managers are responsible for and gives practical skills and knowledge to assist them to use financial resources well.

This module trains education managers, and especially head teachers, on the financial policies and procedures required by the MOES in every school including: budgeting, record keeping, preparing financial statements, and mobilizing resources. head teachers are ultimately responsible for school funds in their charge, however, as we have discussed earlier, the head teacher does not act alone. He or she is part of a *system*. Other actors in the system should be allies to the school and its head teacher in the fight to improve quality. Strong partnerships are essential to a school’s success and it is the responsibility of all education managers to build those partnerships. Central to the success of building such supportive partnerships are strengthening *accountability* and *transparency*.

A good financial manager not only has the necessary technical skills but also has high ethical principles. He or she understand the value of *accountability* and *transparency* and practice both to the highest degree possible. Accountability means keeping good records of all dealings and being able to explain the reasons for one’s actions and take responsibility for them. Transparency refers to being honest and open in one’s actions and making it clear to others what you and your team are doing and why you are doing it. The practice of transparency builds trust and promotes partnership.

This module provides you with a number of tools to assist you in your efforts to increase your accountability and transparency. Like the previous module you will be asked to reflect honestly on your current practices and attitudes, be given opportunities to practice new skills and prepare plans for how you will manage funds in a more transparent and effective manner once you return to your worksite.

I wish you well as you embark upon this challenging road!



S.B. Onek

A.G. DIRECTOR FOR EDUCATION

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ABBREVIATIONS

BEPS	Basic Education Policy Support
CCT	Coordinating Centre Tutor
CC	Coordinating Centre
CPD	Continuous Professional Development
DEO	District Education Officer
DIMP	Decentralised Instruction Materials Procurement
DIS	District Inspector of Schools
EMIS	Education Management Information Systems
EMSI	Education Management Strengthening Initiative
ESA	Education Standards Agency
HT	Head teacher
IS	Inspector of Schools
LGDP	Local Government Development Plan
LPO	Local Purchase Order
MOES	Ministry of Education and Sports
NGO	Non Governmental Organisation
PIASCY	Presidential Initiative on AIDS Strategy for Communication to Youth
PTA	Parent Teacher Association
PTC	Primary Teachers College
SIP	School Improvement Plan
SFG	School Facilities Grant
SMC	School Management Committee
TE	Teacher Effectiveness
TDMS	Teacher Development Management System
UPE	Universal Primary Education
UPHOLD	Uganda Program for Human and Holistic Development

INTRODUCTION TO EDUCATION MANAGEMENT STRENGTHENING INITIATIVE

WELCOME! By opening this manual you have taken an important step towards making your contribution to improving the quality of education offered in Uganda's primary schools. As an education manager, whether you are at the school, district or college level, YOU make a huge difference in the life of Ugandan school children and this manual is designed to assist you in creating a positive change in Uganda's schools.

The Education Management Strengthening (EMS) Initiative and the manuals in this series were designed in collaboration with the Ministry of Education and Sports and Kyambogo University to support on-going training of education managers being trained under the Teacher Development Management System (TDMS) Head teacher Training Series. The sessions and activities within these manuals further reinforce the topics found in the TDMS training materials.

The EMS Initiative aims to expand the knowledge, skills and tools available as you work to improve quality. Often attitudes and behaviours play an even greater role in the adoption of new practices. The EMS Initiative also creates opportunities for participants to reflect on their own attitudes and behaviours, examine how their actions and attitudes influence the way they do their work, and commit to actions which create positive learning environments. Training workshops are part of a larger package of activities designed to support your professional practice at your worksites. Complementary support activities include job aids and tools for performance improvement, the use of Peer Group Meetings, peer-to-peer support, and on-site supervision and advice.

GUIDING PRINCIPLES

The EMS Initiative is built upon the following principles:

A focus on improving quality and pupil performance

The core business of any school system is to deliver quality education and to ensure that pupils reach their potential. All activities delivered under the EMS Initiative are designed to equip head teachers and other managers in the system with critical knowledge, skills and attitudes needed to improve performance and positively impact quality at school level.

Behind every good school is a good head teacher

In almost any good school you will find there is a good Head teacher. Head teachers are special because, through their leadership, management and administration, they have the power to define a school and its level of performance.

Strengthening partnerships and participation

At the same time, education managers, such as head teachers cannot go it alone. They need to enlist and harness the active participation and support of numerous other role players including: Parents, Teachers, Pupils, School Management Committees, Parent Teacher Associations, and Local leaders. Improving education quality is built upon strong partnerships between these actors and among education managers themselves.

A Systems Approach

The EMS Initiative strives to improve quality through a Whole School or Whole System Approach. This approach recognizes that it is only when all education managers work together in partnership that school-based quality can be improved. The EMSI harnesses the collective energy and wisdom of the many managers within the education system who must work in a coordinated manner to affect positive change. While the ultimate yardstick of success is improved learning environments and improved pupils' learning, it is not sufficient to only raise management capacity at school level. It is also necessary to improve capacity at all levels of the system that support the school, especially the district.

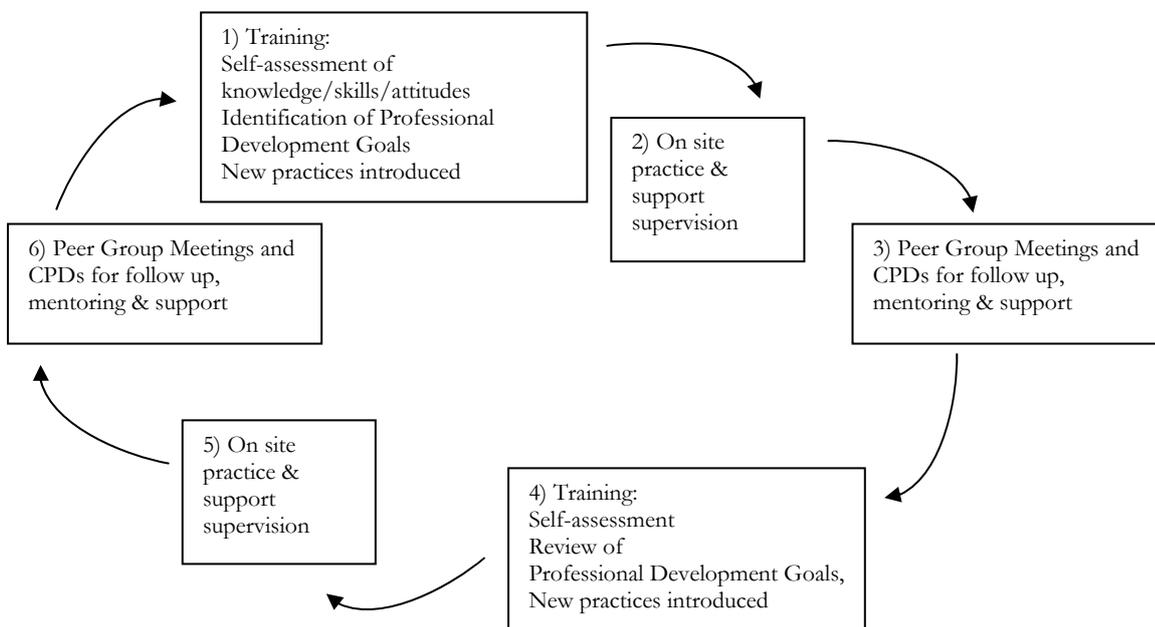
Activity-based learning

We believe that both children and adults learn most effectively through activity and practice and not through passive listening. EMS workshops are designed to maximize activity of participants and to engage their existing knowledge and experience.

THE PERFORMANCE IMPROVEMENT CYCLE

The EMSI uses the Performance Improvement Cycle, which takes participants through a process of assessing knowledge, skills, attitudes and overall performance; identifying professional development goals; and bridging identified gaps through a variety of activities. Professional peer groups and networks are as important for managers as they are for teachers and other professionals. Using a mentoring or peer support approach, education managers are assisted to consciously establish peer relationships for mutual support, networking, and the sharing of learning.

The Performance Improvement Cycle is shown in the diagram below:



THE TRAINING MODULES

The training programme consists of four training modules focusing on the following core competency areas:

- Leadership in Education
- Managing School Improvement

INTRODUCTION AND OVERVIEW

- Managing School Finances
- Managing the School Curriculum

The modules are for use by trainers at the district/CPTC and cluster levels and serve as resource materials for education managers. The training workshops focus on building knowledge, skills, attitudes and professional networks. The foundation built during training can be maintained through continuous professional development activities (such as Peer Group Meetings) as well as behaviour change communication campaigns designed to support what is learned in trainings.

A broad dissemination and use of all the materials is encouraged. The materials can be used by current managers or aspiring managers as self-study guides, as resource materials for cluster level meetings, as well as training materials for head teachers and others to share with their team members.

MANAGING SCHOOL FINANCES

Overview

Financial Management refers to the capacity of head teachers and other education managers to deploy the financial resources of an institution, such as a school, with maximum effectiveness and efficiency and for maximum benefit to Uganda's pupils. This module aims to train education managers, and especially head teachers, on the financial policies and procedures required by the MOES in every school including: budgeting, record keeping, preparing financial statements, and mobilizing resources. head teachers are ultimately responsible for school funds in their charge, however, as we have discussed earlier and in Modules 1 and 2, the head teacher does not act alone. He or she is part of a *system*. Other actors in the system should be allies to the school and its head teacher in the fight to improve quality. Strong partnerships are essential to a school's success. Central to the success of building such supportive partnerships are strengthening *accountability* and *transparency*.

The success of a school can hinge on the quality of its financial management. Sound financial management ensures that a school's resources are effectively used to achieve a school's mission, and its School Improvement Plan (SIP) and or School Development Plan (SDP). Financial planning is part of the Education Improvement Cycle discussed in Module 2- *Managing School Improvement*. This module discusses the practicalities of building budgets, managing funds and preparing financial reports. head teachers are the chief financial managers and accounting officers of their schools. However, head teachers are normally promoted to these positions because of their many years of teaching service and are not necessarily experienced managers. Most head teachers will require further training before they can become effective financial managers.

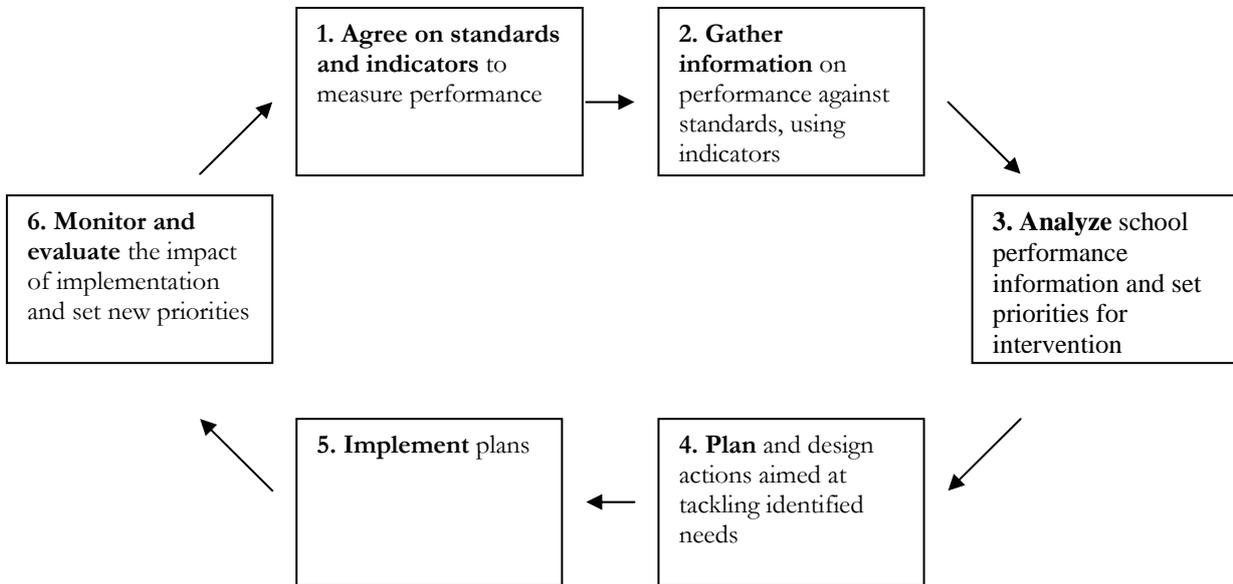
Objectives

✓ Upon completion of activities and sessions in this module, participants should be able to do the following:

- Apply principles of sound financial management (Session 2)
- Describe government grants to schools and how to access them (Session 3)
- Develop local fundraising strategies to enhance school income (Session 4)
- Develop strategies to maximize community involvement in planning and budgeting (Session 4)
- Draft a budget (Session 5)
- Receive and bank money on behalf of the school (Session 6)
- Use various tools (such as vouchers, local purchase orders, etc.) to make payments on behalf of the school (Session 7)
- Maintain proper records of income and expenditure in a cash book (Session 8)
- Utilize an imprest petty cash system (Session 9)
- Read a bank statement and prepare a bank reconciliation (Session 10)
- Maintain proper records of transactions using a vote book (Session 11)
- Prepare a quarterly and annual financial report (Session 11)
- Describe school finance procedures and draft locally relevant procedures for own school (Session 12)

Links to Previous Modules

EMSI Module 2 stresses the importance of the ‘Education Improvement Cycle’ as the model for planning. This process can be broken down into six steps. In the Module these steps were linked to stages in the process of drafting, implementing and reviewing a School Development Plan¹ but can be applied to planning at any level.



Budgeting, the subject of this Module, is an integral part of Step Four: *Planning and Designing Actions*. Budgeting and financial reporting is key also to Step Six, which asks a planning team to continuously *monitor plans* put in place (including the funds allocated to these plans) and to *evaluate plans* (including the financial aspect) on a quarterly and or yearly basis.

Activities

Within the sessions are numerous activities that may be carried out in a workshop setting, individually, in Peer Group Meetings, or in another Continuous Professional Development context. The activities are dynamic and participatory, asking participants to reflect upon, act and plan ways that they might improve their management and leadership techniques.

¹ Module 3 uses the School Improvement Plan as the planning document. However, as discussed in Module 2, schools also develop Annual Plans and School Development Plans. The process introduced in Module 2 and discussed here applies to the development of SDP, SIP and Annual Work plans alike and can be used when doing any of these planning processes.

HOW TO USE THIS MODULE

This module provides the necessary material for running a training course on *Managing School Finances*. The course targets all managers in the education system especially – Head teachers, Deputy Head teachers, Inspectors, Education Officers, Coordinating Centre Tutors and selected PTC staff. The manual contains material for both workshop participants and workshop trainers. It is structured as follows:

Sessions 1-13: Participants’ Notes and Trainer’s Notes provide session-by-session instructional notes. It includes the factual content of the course in the form of text and activities. Activities are found in boxes within the session and include instructions for participants to undertake the activity either on one’s own or in a group. At the end of each session, detailed instructions to trainers and organizers of a training course are included in a section called “Trainer’s Notes”. These Trainer’s Notes provide step-by-step instructions and tips concerning necessary preparations, introducing the session, timing, organizing activities and group discussions, and concluding the session. Trainers are expected to use this section in conjunction with the Participants’ Notes and the Workshop Handouts to conduct the training.

The module contains a number of practice activities for budgeting and reconciling accounts. It is strongly advised that all trainers do all calculation activities for themselves before attempting to facilitate them.

Appendix A contains a Glossary and provides model answers for a number of the activities found within the sessions. Workshop facilitators will need to use these materials as part of their preparations for training sessions.

Appendix B provides photocopiable resources and all the necessary handouts for running all the sessions as referred to within the sessions themselves. These can be used as job aids by participants when implementing what they have learned into their day-to-day work.

Appendix C contains an evaluation form for participants as well as for the trainers themselves.

Legend

The following symbols are used in the text.

	Objectives —action oriented objectives are stated for the module as a whole and for each session
	Rationale —each session has a rationale that provides the basis for the activities and links it to prior and subsequent sessions
	Duration —time allocation for each session
	Content —presents key content to be address during each session

	Other Sources of Information -- provides users with the cross reference to other resources, particularly the TDMS Head teacher Training Series Important note: <i>TDMS materials predate UPE, so all references to the collection of fees or compulsory parental contribution must be ignored</i>
	Activity —highlights a task to be carried out by the participant(s)
	Handout —indicates that the trainer should distribute a photocopied document to participants
	Trainer's Notes —to be used by trainer in the planning and carrying out of each session
	Time Breakdown —within the Trainer's Notes, this divides the session into various components to help with timing during sessions
	Materials —lists the materials necessary for the trainer to use during each session
	Preparation —highlights planning tasks that must be done by the trainer PRIOR to the training
	Procedure —outlines for the trainer the facilitation process to be used in each session

NOTE FOR TRAINERS: ORGANISING THE WORKSHOP

THE SUGGESTIONS BELOW ARE DIRECTED TO YOU AS A TRAINER AND ARE OFFERED AS A SUPPORT FOR CONDUCTING THE WORKSHOP

Tools and Equipment

The training team is responsible for making sure they have all the materials they need to conduct the workshop. Training teams should carefully review both the Trainer's Notes and Participants' Notes for each session to understand the equipment requirements. The following list gives a sample of some of the tools needed, however trainers will need to prepare their own checklist after checking against the Module being run.

Tool/equipment	Completed?
List of participants	
Administrative sign-in sheets	
Name badges or cards	
Flip charts and markers	
Sticky tape	
Sufficient copies of Module and other reference materials	
Sufficient copies of Handouts needed for Activities	

Venue

The training team is responsible for selecting a venue that is appropriate for the number of participants and the training programme (i.e. is there enough room for small group work and plenary discussions?). Meals and other logistical arrangements should be arranged for ahead of time so that the workshop can be started on time.

The Workshop Agenda

The Modules state clearly the amount of time needed to run each module and each session (e.g. this module is designed to be completed in two and a half days). Trainers are responsible for reviewing the Module and drawing up an agenda and time table. An illustrative agenda is shown below.

Suggested Agenda Module 3

Times	Sessions	Duration
Day 1		
9.00-10am	Session 1: Participant Introductions and Orientation	1 hour
10.00-10.45	Session 2: Partnerships and Managing Finances	45 minutes
10.45-11.15	Break	30 minutes
11.15-12.00	Session 3: Understanding Government Grants	45 minutes
12.00-1.00	Session 4: Local Fundraising	1 hour
1.00-2.00	Lunch	1 hour
2.00-4.00	Session 5: Drafting a Budget	2 hours
4.00-4.45	Session 6: Receiving and Banking Money	45 minutes
Day 2		
8.00-9.25	Session 7: Managing Payments	1 hour 25 minutes
9.25-11.50	Session 8: Maintaining a Cashbook	2 hrs 25 minutes
	Break	25 minutes
12.15-1.00	Session 9: Petty Cash	45 minutes
1.00-2.00	Lunch	1 hour
2.00-3.25	Session 10: Bank Statements and Reconciliation	1 hour 25 minutes
3.25-4.45	Session 11: Reporting Requirements	1 20 hour
Day 3		
8.00-10.30	Session 12: Drafting School Finance Procedures and Moving Forward	2 hours 30 minutes
10.30-11.10	Session 13: Conclusion and Evaluation	40 minutes
	Total workshop time (including lunch and breaks)	19 hours 40 minutes

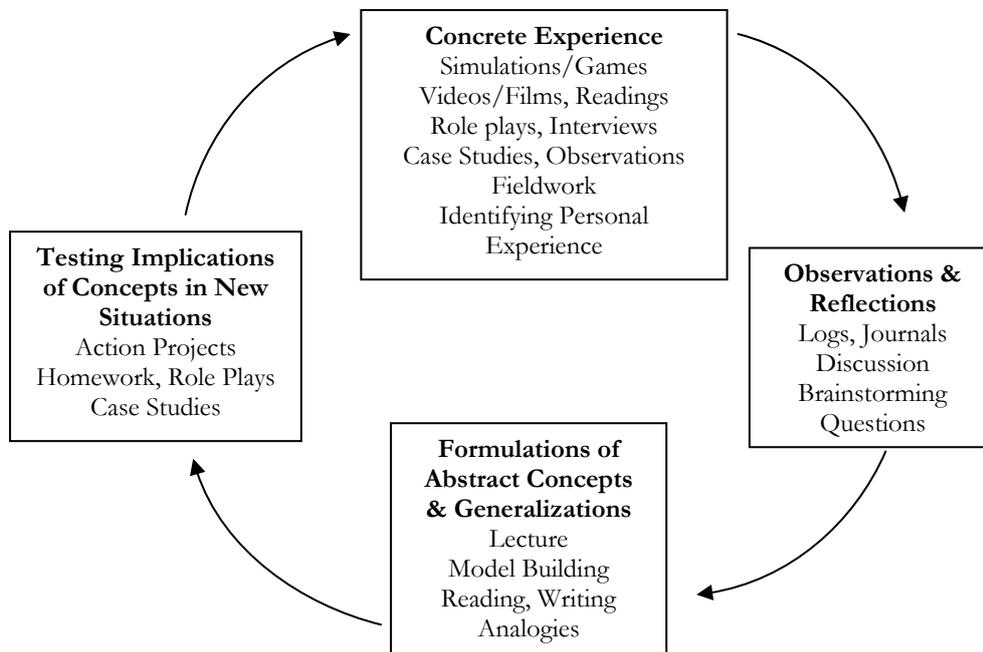
Evaluation Tool

The module includes a valuable evaluation tool to be completed at the end of the workshop. Trainers are responsible for administering this tool at the close of the training workshop. The Modules and EMS Initiative will be improved over the course of the piloting period. The training evaluations serve as formative evaluation tools to inform programme designers in order to revise and improve the programme design and approach and the training materials.

Notes on the Training Approach

The training approach follows the *Experiential Learning Cycle*. The cycle (shown below) follows a natural progression of learning and acknowledges that individuals learn through a variety of means. Trainers also have their own learning preferences. Because of this they often unconsciously impose their preferred learning style on those they are training. The Cycle helps trainers to remember to employ a variety of training activities to engage all the learning modes of participants. The Modules are designed to capture many of these learning preferences, however, where you as a trainer see opportunities to increase learning through the use of a different learning modes, you are encouraged

to try something different. Please ensure that changes you make to activities take time considerations into account.



Complementary Activities to the Training Modules

The training workshops are only one step in improving the performance of education managers and improving education quality. In order to ensure that knowledge and skills gained in the workshops are translated into changes in practice and attitudes, education managers need support once they return to their worksites. The EMS Initiative has provided a number of tools and activities for education managers to use between training opportunities. Trainers are expected to facilitate participants' uptake of these tools. Specifically, trainers should

- Develop work plans to provide support supervision to participants
- Facilitate the organization of peer to peer or mentoring support opportunities between school leaders
- Organize and facilitate Peer Group Meetings to follow up Action Plans developed by participants during trainings and utilize other resources such as the Performance Improvement Toolkit to increase participants' learning between training sessions

WORKSHOP SESSIONS

MODULE 3- MANAGING SCHOOL FINANCES

SESSION 1: PARTICIPANT INTRODUCTIONS AND ORIENTATION

✓ Objectives:

Upon completion of the activities of this session, participants should be able to:

- Identify other participants, including those they did not know previously
- Outline key administrative issues and procedures related to the workshop
- Articulate the shared ground rules for behaviours during the workshop
- Discuss the workshop objectives and participants' general expectations for the workshop



Duration: 1 hour



Content:

It is important for people to get to know one another at the beginning of the workshop, and to establish an open and honest learning atmosphere. It is equally important that the facilitators understand the expectations and needs of participants so that they can deliver the workshop in a responsive manner.

Activity 1.1 – Introductions and Expectations (45 minutes)

Pair-up with someone they know little or nothing about, and take three to five minutes getting to know each other, as they will need to introduce each other to the larger group, focusing on three things:

1—Their name

2—Designation

3—What have they done differently at their workstation since the last workshop?

The trainer will assist you to share your ideas in a plenary session.

Now turn to Expectations for the workshop. In plenary, share your answers to the following question:

4—When you were invited to this workshop, how did you think what you learned here would change how you do your work?

ADMINISTRATIVE MATTERS

Explain to participants the administrative arrangements for the workshop, including meals, travel costs and anything else that is appropriate.

OBJECTIVES

Participants should read through the Workshop Objectives in the Introduction section and ask questions to clarify anything they don't understand in relation to the Objectives.

WORKSHOP GROUND RULES

Develop Ground Rules for the workshop. Invite participants to identify and agree upon Ground Rules that will help govern behaviour and support a smooth-running workshop. The rules should include the following:

1. No side conversations
2. Telephones must be switched off
3. Participants and trainers **all** have the responsibility of ensuring that sessions begin and end on time
4. Respect the viewpoints of others
5. Speak loudly so all can hear
6. Participants should have their Handbook shut unless explicitly instructed by the trainer.

👉 Trainer's Notes 👈



Time Breakdown

Participant Introductions and Expectations	45 minutes
Administrative Matters	5 minutes
Review of Objectives and Development of Ground Rules	10 minutes
Total	1 hour



Objectives

Participants should be able to:

- Identify other participants, including some of those they did not know previously
- Discuss the workshop objectives and participants' general expectations for the workshop
- Outline key administrative issues and procedures related to the workshop
- Articulate the shared ground rules for behaviour during the workshop



Materials

Name tags, Flip chart stand, Flip chart paper, pens, adhesive



Preparation

- Determine what opening ceremony is necessary, and allocate time for it.
- Be sure you understand the administrative arrangements for the workshop

Procedure

1. As the initial day of the workshop, it is likely that an opening ceremony is necessary. If this is the case, you will need to plan for it and ensure that it proceeds in a timely manner. Note that time has not been explicitly allocated for an opening ceremony, so you will need to anticipate and respond to any time shift that results from having an opening (and/or beginning later than scheduled).
2. Emphasize the importance of participants getting to know one another and establishing a relaxed informal atmosphere.
3. Ask Participants to pair up with someone that they do not know and spend three to five minutes doing the partner introduction activity. Then ask them to briefly introduce one another to the whole group.
4. Participants can then briefly share their expectations for the workshop during the plenary. These expectations should be listed by the facilitator on a flip-chart paper. This list should then be posted on the wall of the venue for reference throughout the workshop. The facilitator may periodically refer to this list throughout the workshop to flag when a particular expectation is being met. It can also be reviewed at the end of the workshop to see if expectations have been met.
5. Make sure everyone is wearing a nametag and that the name is written large enough for all to see easily.
6. Explain administrative arrangements for the workshop including: daily signing of attendance registers, meals, travel costs and anything else appropriate. Confusion over such matters can distract participants. A sample attendance register is provided.
7. Lead participants in a review of the Workshop Objectives found in the *Managing School Finances* section. Answer any questions.
8. Engage participants in a discussion on the ground rules that they wish to adopt for the smooth running of the workshop. Participants should agree upon and formally commit themselves to the ground rules.

SESSION 2: PARTNERSHIPS AND MANAGING FINANCES

Kyotabulirako banno, emese ekibba (Luganda) - Unshared ideas always get lost



Rationale:

The EMSI Leadership and Managing School Improvement Modules emphasize the importance of education managers fostering and maintaining effective partnerships. A manager who does this gains the support of their colleagues and other education stakeholders- and is no longer working alone! Financial management is one of the most visible ways that people judge the performance of a manager, especially at the school-level. This session explores the principles of transparency and accountability which underpin this whole module and which should be the foundation of all practice in Financial Management.



Objectives:

Upon completion of the activities of this session, participants should be able to:

- Articulate how effective partnerships can support and enhance financial management
- Define and apply the terms ‘Accountability’ and ‘Transparency’ and appreciate their importance
- State rules and basic practices of financial management
- Devise strategies to promote community participation in financial management



Duration: 45 minutes



Other Sources of Information: TDMS Module 3, Unit 3.4, pages 185-215



Content:

INTRODUCTION

A good financial manager maximizes the efficiency with which financial resources are used to enhance pupils’ education. Financial planning and management should therefore be closely linked to overall *school improvement planning* and implementation. Involving others in the planning and implementation of education improvement activities is an essential strategy. It is therefore important that a manager is able to encourage active participation in aspects of financial management.

Good financial management certainly requires technical skill. Beyond skills, however, it also requires high ethical principles. To those who observe your financial management performance, your attitudes and behaviours are as important as your technical ability. *Accountability* and *transparency* are two important principles that must underpin all your work. By remaining committed to improving your leadership and enhancing partnerships, your accountability and transparency efforts are enhanced.



Activity 2.1: Financial Management Self-Assessment (15 minutes)

Work individually. The following self-assessment will test the quality of your own working methods. It may also help you to identify areas of strength and areas in need of further development.

- Be honest as you reflect on the following statements.
 - For each of the statements, choose one of following:
1= Never 2=Occasionally 3=Frequently 4=Always
 - Add your scores. Refer to the analysis to see how you scored.
- 16-31: You are not keeping up with the pace. Look for ways of updating your skills
 32-47: Some of your qualities are good so concentrate on improving the weak ones
 48-64: This is very good, but do not get complacent!
- If time allows, discuss in plenary which of the statements well illustrate the principle of accountability and which well illustrate the principle of transparency.

Statement	Score
1. The SMC participates in budget preparation.	
2. The SMC fully understands and approves of the content of the budget.	
3. The school budget is followed as a guide for all expenditure.	
4. The school implements strategies to undertake local fundraising.	
5. Any money received is immediately banked.	
6. The head teacher avoids handling money alone. Several people are involved.	
7. The school minimizes the amount of cash held on school premises.	
8. The SMC plays an active role in monitoring expenditure.	
9. There is supporting documentation for all money received and spent.	
10. The school maintains a cash-book that is up-to date, neat and accurate.	
11. The school implements measures to publicize all income and expenditure.	
12. Financial records are annually audited by both the district office and the SMC.	
13. Decisions on spending are not taken by those who might personally benefit.	
14. The school maintains up-to-date and complete inventory of all assets.	
15. The school produces regular quarterly income and expenditure reports.	
16. Records for the previous financial year were audited by the district and SMC.	
Total	

The list presented in this activity is not intended to be complete. As the workshop progresses additional guidelines will emerge. These should be captured and noted in case they are forgotten, since in the final session you will be generating a draft ‘School Financial Procedures’ for your school. This document will guide your practice in the future.

ACCOUNTABILITY

Effective accountability necessitates first and foremost keeping good documentary records of the money or other resources in your care. However, accountability goes further than that. It also means being able to explain the reasons for your actions and take responsibility for them. Legally the school is accountable to the district and to the school community as represented by the SMC. Monitoring accountability not only involves ensuring that all financial transactions have the

necessary supporting documentation. It may also involve physically verifying the existence of items upon which expenditure is claimed.

If individual schools in a district delay in submitting their accountability records, this can sometimes lead to delays in the release of funds from central government to the district as a whole.

TRANSPARENCY

This term refers to being honest and open in your actions and making it clear to others what you and your team are doing and why you are doing it. The practice of transparency builds trust and promotes partnership. Throughout Module 1, you explored the importance of fostering participation as a means of strengthening and demonstrating your leadership. By fulfilling your responsibility to publicly display school income and expenditures, you will also exhibit your leadership skills.

FOSTERING A FINANCIAL MANAGEMENT PARTNERSHIP WITH STAKEHOLDERS

In order to promote transparency and accountability it is important to involve other stakeholders like parents and the community. We all know that the active support of the SMC and community will help develop an effective school. So how should the community be involved in financial management? A PTA meeting where parents are ‘talked at’ does not constitute meaningful consultation and involvement. This is better promoted by involving stakeholders in all aspects of the *Education Improvement Cycle*—including budgeting and reviewing finance.



Activity 2.2: Promoting Community Participation (15 minutes)

. This activity will help you to reflect on ways in which community participation can be enhanced in the financial management of schools.

- In groups, prepare a list of at least three actions that a school can take to promote community participation in financial management.
- How will these actions help you to realize the goals of your School Improvement Plan?

Discuss your list in plenary.

DISCUSSION POINTS

Here are some possible practices that a school may adopt in order to promote good public relations and community involvement in financial management.

- **Draw up plans and budgets collaboratively**

If a school draws a School Improvement Plan (SIP) and budget with objectives that have been developed in collaboration and consultation with the community then the community will understand spending priorities and feel ownership of them. The School Finance Committee should play an important role in ensuring participatory planning.

- **Make accounts public and conduct regular financial reviews**

It is necessary to give regular and full reports to your school SMC and community about the monies received and how and when it is to be spent – on at least a quarterly basis. Each quarter you should present this updated information on your school notice board. This will build the parent’s confidence and willingness to participate. It is also the responsibility of the SMC to ensure that all purchases are used appropriately.

- **Make decisions public and involve others in the implementation of activities**

For example, stakeholders should know how many blocks are being molded from a bag of cement; they should know which class or classes are to benefit from new desks being made; they should understand the anticipated impact of monies spent on a training workshop. If a meaningful partnership can be established with the SMC and community then there is greater potential for sustained development of the school.

- **Plan community fundraising activities**

The policy of Universal Primary Education guarantees the access of all children to free education. However this does not preclude schools from engaging in ‘community fundraising’ activities. These are income-generating projects that involve parents and the wider community. It certainly does not mean levying fees or coercing parents into making contributions. Parents who have contributed to such events will be likely to take a greater interest in the school. The process of engaging the community is at least as important as the amount of money raised.

SUMMARY OF KEY POINTS

- Good financial management is a matter of both technical ability and ethical standards and performance.
- The benefits of effective partnerships are as valuable in financial management as they are in developing a School Improvement Plan (SIP).
- Accountability is the ability to justify your actions in financial management.
- Transparency is honesty and openness in conducting financial transactions.
- Schools should develop procedures and practices that ensure accountability and transparency.
- Transparency and accountability also require that the school community is informed and involved in financial management.

👉 Trainer's Notes 👈



Time Breakdown

Introduction	10 minutes
Activity 2.1: Financial Management Self-Assessment	15 minutes
Activity 2.2: Promoting Community Participation	15 minutes
Conclusion	5 minutes
Total	45 minutes



Objectives

Participants should be able to:

- Define and apply the terms 'Accountability' and 'Transparency' and appreciate their importance.
- State rules and basic practices of financial management
- Devise strategies to promote community participation in financial management.



Materials

Flip chart stand, Flip chart paper, pens, adhesive.



Preparation

Facilitators may prepare loose photocopies of the Financial Management Self-Assessment activity.



Procedure

1. Introduce the session with reference to the rationale provided at the beginning. You may also make reference to the proverb provided or any other suitable local proverb that you or the participants know.
2. Ask participants to briefly recall Modules 1 and 2, and to consider what connections there are between Leadership and the Education Improvement Cycle and effective financial management. Emphasize that an effective financial manager is a leader who maximizes the efficiency with which financial resources are used for school improvement in a transparent manner.
3. Introduce Activity 2.1: Financial Management Self-Assessment. Encourage participants to reflect honestly on their own attitudes, behaviours and practices, and how they influence the financial management performance of their school.
4. In plenary ask groups to briefly share their strengths and areas for improvement.
5. Consider the definitions of 'accountability' and 'transparency.' Start by asking participants to give their own definitions. Discuss how effective partnerships can enhance a head teacher's financial management performance.
6. Ask participants to do Activity 2.2: Promoting Community Participation.
7. Conduct a plenary discussion of actions that school can take to promote community participation in financial management. Try to bring out participants' own experiences and concerns.
8. Use the discussion points which follow the exercise to enrich the discussion.
9. Conclude the session by asking participants in plenary to state what they think the key learning points of the session have been. Supplement their contributions with any points from 'The Summary of Key Points' that have not been mentioned.

SESSION 3: UNDERSTANDING GOVERNMENT GRANTS

Money is like manure , it needs to be spread widely if it is to do lasting good – Unknown author



Rationale:

This session outlines the main sources of income from government sources that schools receive. Focusing on the UPE Capitation Grant, it outlines the purpose of the grant, how it is calculated, and how such funds can be allocated.



Objectives:

Upon completion of the activities of this session, participants should be able to:

- State the nature and purpose of government grants available to schools
- Calculate the correct allocation for a school under the UPE Capitation Grant
- Allocate the grant correctly to expenditure categories
- Distinguish between allowable and non-allowable expenditure in each category



Duration: 45 minutes



Content:

INTRODUCTION

Primary education is one of the key sectors identified in the Government’s Poverty Eradication Action Plan. Schools may receive government funding from four major sources:

- The School Facilities Grant (SFG)
- The Local Government Development Programme (LGDP)
- Decentralized Instruction Materials Procurement (DIMP)
- The UPE Capitation Grant

SCHOOL FACILITIES GRANT (SFG)

The School Facilities Grant supports the development of school buildings and infrastructure. However in most districts, this money is managed and handled by the district in consultation with the individual school and it’s SMC. This manual will therefore not focus in any detail with the School Facilities Grant. Those wishing to know more about this grant are referred to the Ministry of Education and Sports publication ‘School Facilities Grant (SFG) for Primary Schools’ (December 2002). *However, it is important for schools to understand that they may need to advocate actively with their district offices in order to access SFG funding.*

LOCAL GOVERNMENT DEVELOPMENT PROGRAMME (LGDP)

Additional funds for schools for school development may also be made available to schools at Sub-county (LC3) level, as part of the Local Government Development Programme (LGDP). At present, as with SFG, it is not common for the schools to receive the money directly. Payments are usually managed on their behalf by the sub-county. Schools will need to familiarize themselves

with the local procedures for applying for such money, and should develop advocacy efforts for accessing such support.

DECENTRALIZED INSTRUCTION MATERIALS PROCUREMENT (DIMP)

In an increasing number of designated districts, schools have a budget allocated to them for Decentralized Instruction Materials Procurement. Typically, management of DIMP funds takes place at the district level and falls under the responsibility of the District Inspector of Schools. Schools themselves do not receive money or handle payments. However, schools are expected to make decisions over the choice of textbooks within an allocated budget. They are then expected to complete a DIMP textbook order form. The district office will then submit it to an Official Textbook supplier using a Local Purchase Order. For further information regarding how districts and schools are to use DIMP, the reader is referred to the following MOES publication: 'Decentralized Instructional Materials Procurement (DIMP): Management Handbook for Schools and Districts (April 2003).

UPE CAPITATION GRANT

The main source of income for most schools is the UPE Capitation Grant, which aims to:

- Improve equitable access to basic education by removing the burden of paying school fees from parents
- Enhance quality of primary education by providing schools with resources necessary to run the school

The UPE Capitation Grant is usually received in three installments per year. Grants must be received into a school bank account and all aspects of management and accountability for funds are managed at school level. The accounting officer for these funds is the head teacher.

The amount received will vary from district to district and from one year to another, based on MOES guidelines. However, it is worth understanding how it is calculated. In all districts the annual amount provided to all schools consists of two parts:

- a) A flat rate amount is given to each school, regardless of how many pupils are enrolled. For example, in Masindi District this was 900,000 shillings per school in the year 2003-4. This is calculated on the basis of 100,000 Shs. per month for nine months of the school year.
- b) All schools also receive an additional amount that is directly related to the enrolment of the school. In 2003-04 the figure in Masindi District was 4,244 Shs. per child.

Therefore, if a primary school in Masindi District had 803 pupils in 2003-04, it could have expected to receive:

$$\begin{array}{l} 9 \text{ months} \times 100,000 \text{ /=} \text{ per month} = 900,000\text{/=} \\ 803 \text{ students} \times 4,244\text{/=} \text{ per student} \quad = 3,407,932\text{/=} \\ \text{Total} = \mathbf{4,307,932\text{/}=} \end{array}$$

Because the amount received by a school is directly related to the enrolment of the school it is very important that schools provide districts with accurate enrolment information and that districts check this information carefully. It is good practice for schools to receipt districts for all grants received.

The financial year for UPE Grants runs from July to June. While schools are used to planning according to the academic year, which runs from January to December, they are still expected to budget their UPE grants according to the financial year.

ELIGIBLE EXPENDITURES FOR UPE GRANT

School can spend the UPE grant on the following:

(a) Instructional/ Scholastic Materials

Supplementary books or readers, teachers reference books, syllabi, lesson preparation books, ball pens, markers, teaching aids, slates, chalks, blackboards, teachers tables and chairs, maps, wall-charts, globes, paper etc.

(b) Co-curricular Activities

For example – games, sports, music, dance, drama, art and crafts and clubs.

(c) Management of the School

For example – registers, record books, wall clocks, stapling machines, file covers/folders, manila cards, paper and ink, ledger books, vote books, banking books, stationery, work tools, brooms, consumable items such as stationery, replacement of school furniture etc.

(d) Administration

For example – hire of transport, allowances on official travel, electricity, water, telephones, bank charges, security arrangements, and emergencies.

(e) Contingency

It is important to understand what is meant by contingency. Contingency funds are unbudgeted monies held in reserve which can be reallocated to the other four categories on the basis of needs. It will most frequently be used when the price of something that was budgeted proves to be more costly than anticipated or when the school encounters some unavoidable unbudgeted expense – perhaps relating to an emergency.

The recommended percentage amounts allocated to each of these four categories may vary from district to district. In Masindi, for example, the figures are as follows:

- Extra Instructional/ Scholastic Materials (35%)
- Co-curricular activities (30%)
- Management (15%)
- Administration (10%)
- Contingency (10%)

What is the allocation in your district?



Activity 3.1: UPE Capitation Grant (15 minutes)

Work in pairs to answer the following questions. This activity gives you an opportunity to practice and internalize some of the content presented above.

1. If Nile School in Masindi has an enrolment of 500, how much did it receive from the UPE capitation grant in 2003-4
2. How much of that money could then be allocated to (a) co-curricular activities (b) administration?

3. Are there any items which you have to buy and which you find it difficult to allocate to one of the main expenditure categories? Discuss these and decide which category they belong to.
4. What common difficulties do you face in your district with the administration of UPE Capitation Grants?
5. What strategies can be put in place locally to minimize these difficulties?

DISCUSSION POINTS

- All financial procedures should comply with the *Local Government Financial and Accounting Regulations (1998)*. It is important that planned expenditure should be focused on enhancing the quality of teaching and learning in the school. Under no circumstances should expenditure cover non-allowable expenses such as:
 - payment of allowances for teachers
 - payment of teachers housing and lunches
 - payment of burial or funeral costs
 - Purchase of items for resale by the school e.g. sodas to be resold at a school event.
- Funds will only be released to a school once they have provided the district with an annual budget. As such, each school is expected to prepare a budget that coincides with Government's fiscal year and the UPE cycle, i.e. July – June.
- Schools are expected to report quarterly on their expenditure. At school level, the Accounting Officer is the head teacher, and is ultimately responsible for the proper management of the UPE Capitation Grant.
- Delays in presenting financial reports by individual schools can lead to the delay of releases of funding to a whole district.
- In developing a budget, specific expenditure items should not be allocated to the contingency funds. This is money held in reserve for unforeseen additional expenditure (e.g. emergencies or price rises).

Note: A template for the preparation of a UPE Capitation Grant budget is provided in Appendix B.

SUMMARY OF KEY POINTS

- All government primary schools in Uganda are eligible to receive funding from two different central government sources: The School Facilities Grant and the UPE School Capitation Grant.
- In many decentralized districts schools will also have an additional budget allocated to them for instruction materials procurement (DIMP).
- Additional funds for schools may also be issued to schools at Sub-county (LC3) level.
- The UPE Capitation Grant is based on the number pupils enrolled in a school. It is therefore important for schools to keep accurate enrollment records.
- Categories of allowable expenditure for UPE Grant funds include: Instructional Materials, Co-curricular Activities, Management, and Administration.
- The UPE Capitation Grant will also have an agreed percentage for contingency.

👉 Trainer's Notes 👈

Time Breakdown

Overview of Government Grants	10 minutes
Detailed Explanation of UPE Capitation Grant	15 minutes
Activity 3.1: UPE Capitation Grant	15 minutes
Conclusion	5 minutes
Total	45 minutes

✓ Objectives

Participants should be able to:

- State the nature and purpose of government grants available to schools
- Calculate the correct allocation for a school under the UPE Capitation Grant
- Allocate the grant correctly to expenditure categories
- Distinguish between allowable and non-allowable expenditure in each category

Materials

Flip chart stand, Flip chart paper, pens, adhesive.

Preparation

Establish the local financial regulations that prevail in the district where training is being conducted - in particular:

- How much is allocated per pupil under the Capitation Grant?
- What percentage of the UPE Capitation Grant is to be allocated to each category of expenditure?
- What local arrangements are there for applying for SFG payments and or grants at LC3 level?

Procedure

1. Introduce the session through discussion of the main sources of income for Government funded schools.
2. Explain the nature and purpose of the SFG, LGDP, DIMP and UPE Capitation Grants.
3. Ask participants about normal practice in their own districts with regard to each of these grants, as this will vary from district to district.

SESSION 4: LOCAL FUNDRAISING

Kamwe kamwe nigwo muganda (Runyankore) – One by one makes a bundle

Rationale:

Local fundraising can supplement the income schools receive from the government. Perhaps more importantly, such activities bring schools and their communities closer together—they create the critical partnerships discussed earlier. By engaging in fundraising activities together the school and its leadership enjoys the moral support of the community and the community can learn more about what is happening at the school and its strengths and challenges.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Plan a community-based school fundraising event
- Budget for a community-based school fundraising event

Duration: 1 hour

Other Sources of Information:

TDMS Module 3, Unit 3.5, pages 237-257

Content:

INTRODUCTION

Under UPE, government primary schools may not charge fees or levy any compulsory charges. The right of every child to receive primary education should never be compromised. However, schools may supplement grant allocations through fundraising by enlisting the help of their local community. The scope for fundraising varies enormously. Some schools in urban areas are able to undertake activities which generate a considerable income. The scope in poorer areas is more limited. However, if parents and community members are involved in fundraising, then this will increase their sense of ownership and pride in the school. Involvement in fundraising can help community members to realize the value of education and their school in particular. Local fundraising should be linked to implementation of a School Improvement Plan that has been agreed upon by the school and its community. Drafting a School Improvement Plan is covered in EMSI Module 2.



Activity 4.1: Sharing Fundraising Ideas (15 minutes)

Plenary Discussion. The purpose of this activity is for participants to share locally relevant strategies for community based fundraising.

- Share ideas on successful community fundraising events that have worked for your school or for other schools in your district, or that you would like to try.
- What challenges have you met and how have you overcome them?

IDEAS FOR FUNDRAISING EVENTS

Ideas for fundraising events might include:

- cake sale
- handicraft sale
- film show
- music, dance and drama show (e.g. you might try ‘selling’ performances of requested popular songs).
- sponsored walk
- a raffle (a lucky draw for prizes from the sale of numbered tickets)
- selling vegetables grown by the school
- hiring out school buildings

It is always easier to raise funds for a specific, well-defined project (e.g. a new soccer pitch, an excursion for pupils or additional instructional materials). Such activities should be planned in the School Improvement Plan (SIP). Successful fundraising begins with an inventory of available resources and skills, possible services the school can render to the community and potential funders. Remember that it is important to get the whole community involved in the event. Let them know that their opinions are valued, as the school belongs to the community. Some members of the community may not be able to contribute financially to the school, but may be able to contribute to the success of an event in other ways, e.g. parents may be able to assist with labour, supervision of pupils, transport, creative ideas, and skills such as cooking, knitting or sewing.

PLANNING A COMMUNITY-BASED FUNDRAISING EVENT

When planning any event consider the following points:

- Plan your event to address a clearly identified need by consulting with the community
- If possible link your event to realizing an aspect of your School Improvement Plan
- Form a committee with clearly defined leadership and responsibilities which reports to the SMC which approves plans
- Brainstorm ideas for fundraising events with the SMC, staff, pupils and community members
- Consider the resources that you have available – human as well as physical
- Plan carefully- ask the following questions:
 - What are the objectives that you are raising money for?
 - What is your target amount?
 - Who will be involved?
 - How will they be involved?
 - What are your timeframes?
 - What possible problems can you anticipate?

- Publicize your event well, using posters and any other media available
- Monitor implementation closely
- Think about safety and security
- Follow up on pledges made but not yet received
- Make the amount raised and how it will be used public
- Evaluate the event afterwards and learn the lessons from your experience
 - How profitable was the event?
 - Did it run smoothly? Why? Why not?
 - What has been the impact on the relationship between the school and community?

BUDGETING FUNDRAISING EVENTS

It usually takes the investment of some money before you can make money. Therefore, fundraising events must also be budgeted. Activity 4.2 illustrates this point. Please note that funds from the UPE capitation grant may not be used to make such initial expenditure. The SMC or PTA will need to find alternative sources for such ‘seed’ money.

 **Activity 4.2: Developing a Fundraising Budget (20 minutes)**

Work in small groups with members from the same school working together.

- Draw up a budget submission for a school fundraising event, e.g. a school film show, using the fundraising budget template provided below. Try to consider all likely sources of income such as ticket sales and sale of soft drinks, and all possible expenditures such as purchase of refreshments stock or the hire of equipment.
- Share some examples of budgets in a plenary.

Fundraising Budget Template			
Activity:			
<i>Expenditure</i>			
Item	Unit price	Number bought	Sub-Total
Total anticipated expenditure (A)			
<i>Income</i>			
Item	Unit price	Number sold	Sub-Total
Total anticipated income (B)			
Profit = B – A			

SUMMARY OF KEY POINTS

- Schools should be encouraged to undertake community-based fundraising.
- Fundraising can strengthen the partnership between a school and its community.
- Fundraising events require careful planning.
- Fundraising events need to be carefully budgeted for, as they often require an initial investment before income can be generated.

Trainer's Notes



Time Breakdown

Introduction	5 minutes
Activity 4.1 Sharing Fundraising Ideas	15 minutes
Ideas for Fundraising Events	5 minutes
Planning a Community Based Fundraising Event	10 minutes
Activity 4.2: Developing a Fundraising Budget	20 minutes
Summary	5 minutes
Total	1 hour



Objectives

Participants should be able to:

- Plan a community-based school fundraising event.
- Budget for a community-based school fundraising event.



Materials

Flip chart stand, Flip chart paper, pens.

 **Procedure**

1. Make a link to the previous session using the 'rationale' of the session. Emphasize that local fundraising can complement government funding. You may make reference to the proverb provided, or any other suitable local proverb that you or the participants know.
2. Use the material in the Introduction to emphasize the importance of locally based fundraising. Make sure that the distinction between compulsory charges and voluntary fundraising is clearly drawn.
3. Ask participants to do Activity 4.1 on 'Sharing Fundraising Ideas'. Emphasize the link between fundraising and the School Improvement Plan.
4. Review the activity with reference to the 'Ideas for Fundraising Events', ensuring that all are covered.
5. Present the content on 'Planning a Community-based Fundraising Event.' Ask participants if they have any additions that they think should be made to the list of guidelines presented. Emphasize that the template used could be applied to any event.
6. Ask participants to do Activity 4.2 - 'Developing a Fundraising Budget'. If participants prepare their budgets on flip-chart paper then a few examples can be shared at the end of the activity. Emphasize that budgeting skills will be dealt with in much more detail in the session that follows.
7. Conclude the session by asking participants in plenary to state what they think the key learning points of the session have been. Supplement their contributions with any additional points from the 'Summary of Key Points' that they have not mentioned.

SESSION 5: DRAFTING A BUDGET

Emeit ekinjok akan (Ateso) – The dog has licked your hands

Rationale:

The last two sessions outlined the main sources of income available to a primary school. This session provides guidance how expenditure can be planned and how a budget can be prepared.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Articulate the linkages between the Education Improvement Cycle, the School Improvement Plan and Annual Budgeting
- Draft a budget that conforms to acceptable standards
- State the purpose of a budget
- Identify steps in the participatory budgeting process
- Solicit budget submissions
- Allocate expenditure to a particular period and monitor cash flow

Duration: 2 hours

Other Sources of Information:

TDMS Module 3, Unit 3.1, pages 9-44

Content:

WHAT IS A BUDGET?

A budget is a plan of expenditure and income for a given period of time – usually a year. It describes intended activities in monetary terms. A school needs a budget for the following reasons:

- To plan expenditure and income for the next year
- To consider the resource needs of various elements of a SIP or School Development Plan (SPD) in light of anticipated and actual resources
- To set priorities for the allocation of funds to activities
- To allow consensus in prioritization decisions
- As a tool for monitoring to ensure accountability

Without a budget a school's expenditure will be haphazard and inefficient.

Any budget must be based upon a plan of activities. If a school has prepared a School development Plan and an Annual Plan and has a School Improvement Plan then the school budget should be part of that plan. These documents should include all activities—whether they are recurring administrative tasks or unique, one-time events—that contribute to the effective functioning and improvement of the school. A school’s annual budget should be a financial expression of its School Improvement Plan.



Activity 5.1: Budgeting Self-Assessment Checklist (20 minutes)

Work Individually.

- Use the following check list to assess your own school’s budgeting system. Answer ‘Yes’ or ‘No’ to each question. Remember to be honest- this is not a test!
- Each ‘No’ indicates areas where you may need to change and where this workshop may be able to assist you.
- After completing the self-assessment individually, discuss your results and reflect with a colleague on what you may need to improve in your school.

Budgeting Self-Assessment

My school:

1. Has an annual budget.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
2. Has expected income items listed in its budget.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
3. Has expected expenditure items listed in the budget.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
4. Prioritizes possible expenditure items before budgeting.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
5. Drafts its budget based upon budget submissions.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6. Uses the Mission and School Improvement Plan when budgeting.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7. Prepares a budget estimate for each quarter according to priorities set.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
8. Presents the budget estimate to the SMC for review and approval.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
9. Implements the budget as approved by the SMC.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
10. Evaluates budget implementation at the end of each quarter.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

STEPS IN PREPARING A BUDGET

Developing an Annual Budget is an integral part of the Education Improvement Cycle that was introduced in EMSI Module 2. It is a critical step in the planning and implementation process of a School Improvement Plan (SIP); thus, Annual Budgeting should follow on from the development of your SIP or SDP. Often, the task of preparing an annual budget of a school normally falls to the head teacher, but he or she should not act alone. Rather, as part of the overall planning process, all education stakeholders should assist in each stage of the process. Once the SIP exists, the budgeting process involves the following steps:

1. **Identify expected income** for the year. For the UPE Capitation Grant you will be informed of the expected amount you will receive by the district annually. To this you should add any surplus balance brought forward from the previous year. You may also plan to supplement your income by local fundraising or school projects.

2. **Identify proposed expenditure items.** Meet with your team to solicit input on suggested budget items from persons with designated responsibilities e.g. the teacher librarian or the sports teacher. These items should include both recurrent administrative and operational costs that support teaching and learning in the school *and* unique, possibly one-time activities that have been included in the SIP.
3. **Cost and priorities expenditure items.** Estimate the amount of each income and expenditure item. While the SIP development process should have included a level of prioritization, it is worthwhile to review priorities with your team, in case planned income does not meet planned expenditure. Note that prioritization should not be done by one individual alone and should reflect the priorities articulated in the SIP and other documents.
4. **Prepare a draft budget.**
5. **Present the draft budget to the school finance committee for discussion.** Give stakeholders a further chance to contribute their comments and improvements
6. **Present the draft budget to the SMC** for review and possible revision. If at all possible, hold a community meeting to present and discuss the draft budget and make final revisions.
7. **Obtain SMC approval in writing.**
8. **Submit Annual Budget to the DEO.**

In reality some of the steps in this process will occur simultaneously. For example, the identification of expected income and expected expenditure items will occur in direct relation to one another. The steps presented here show that preparing a budget will be a matter of planning and negotiation. When budgeting, you should try to gather as much data as possible. The financial records of the previous year will be especially valuable. It is also important to analyse why the budgeted amounts in previous years differed from the actual amounts spent or received.

PLANNING INCOME

UPE Capitation Grant funds are normally released three times a year.. Your district will inform you of the expected value of this grant before budgeting commences. When budgeting, you will need to consider the division of expenditure between the four main expenditure categories: instructional materials, co-curricular activities, management and administration. An initial step in budgeting will therefore be calculating the amount of your budget that you can allocate to each category of expenditure and how much needs to be allocated to contingency. This must take place before prioritizing expenditure within each category. If anticipated expenditure exceeds this amount then schools will need to plan to supplement this amount by fundraising. A worked example of UPE Capitation Grant Budget is provided below. Note that this example is good but has some flaws which will be discussed below. It should not be taken as a perfect example.

 **Activity 5.2: Katwe School Budget (35 minutes)**

Work in small groups. If you follow the prescribed steps in the budgeting process this may lead you to a product like the example below. The purpose of this activity is to develop the participants' understanding of the intended structure of an Annual Budget.

Examine the example budget below and answer the following questions.

1. What is the expected income for the year and how is it calculated
2. How is the allocation of 482,005/= for Administration calculated? (Consider the % allocation to each expenditure category).
3. If you were examining the budget for approval, are there any items that you might ask for more information on, or where you might require a further breakdown of costs?
4. What do you think that the contingency fund might be used for (refer to Session 3)?
5. Knowing that this budget was developed based on a School Improvement Plan, what goals and activities might have been articulated as priorities in the SIP?

Share the answers from different groups in a plenary discussion.

Note: A model revised budget, which addresses issues that might be raised in Question 2, can be found in Appendix A.

KATWE SCHOOL ANNUAL BUDGET

YEAR _____

Expected Income

Capitation grant: (Enrolment x 4244Shs) + 900,000 Shs =
(803 x 4,244Shs) + 900,000Shs = 4,307,932Shs

Balance Brought Forward 512,117Shs **Total Expected income 4,820,049 Shs**

Allocation by Expenditure Category

1. Scholastic Materials	35%	1,687,017
2. Co-curricular Activities	30%	1,446,015
3. Management	15%	723,007
4. Administration	10%	482,005
5. Contingency	10%	482,005
Total	100%	4,820,049

Expenditure

Instructional Materials

Line	Item	Quantity	Rate	Amount
1.1	Prep books	96	3,000	288,000
1.2	Pens	7 packets	10,000	70,000
1.3	Chalk	3 cartons	45,000	135,000
1.4	Markers	8 packets	8,000	64,000
1.5	Teaching Aids			50,000
1.6	Colored Chalk	3 boxes	3,000	9,000
1.7	Exams			
1.7.1	P.7 Monthly Exams			262,500
1.7.2	P.7 Mock Exams			207,500
1.7.3	P1-6 End of Term Exams			40,000
1.7.4	P1-6 End of Year Exams			730,000
1.8	Reference Books			
1.8.1	P5-P7 English grammar	3 copies	5,000	15,000
1.8.2	Monitor English Book1	3 copies	3,500	10,500
1.8.3	Monitor English Book 2	1 copy	4,500	4,500
1.8.4	SST Revision Note Book	1 copy	15,000	15,000
1.8.5	Bible	1 copy	15,000	15,000
1.9	Furniture Repair			33,417
Sub Total				1,687,017

Co-curricular Activities

Line	Item	Quantity	Rate	Amount
2.1	Equipment			
2.1.1	Athletics field equipment			153,500
2.1.2	Footballs	2	50,000	100,000
2.1.3	Netballs	2	50,000	100,000
2.1.4	Volleyball	1	50,000	50,000
2.2	Uniforms			
2.2.1	Boys t-shirts	13	5,000	65,000
2.2.2	Boys shorts	13	2,500	32,500
2.2.3	Girls skirt & blouse	2 rolls (14)	60,000	120,000
2.2.4	Labor (tailor)			28,000
2.3	Music, Dance & Drama			
2.3.1	Music Workshop	2 teachers	25,000	50,000
2.3.2	Instruments			107,000
2.3.3	Resource person			200,000
2.3.4	Feeding			100,000
2.3.5	Transport			130,000
2.3.6	Costumes	5	10,000	50,000
2.4	Clubs			60,015
	Sub-Total			1,446,015

MODULE 3 — MANAGING SCHOOL FINANCES

Management

Line	Item	Quantity	Rate	Amount
3.1	Record Books	1	5,000	5,000
3.2	Wall Clocks	7	8,000	56,000
3.3	Stapler	1	5,000	5,000
3.4	Staples	1 packet	10,000	10,000
3.5	Files			19,000
3.6	Manila Cards	300	300	90,000
3.7	Office Stationery			50,524
3.8	Ruled paper	1 ream	8,000	8,000
3.9	Duplicating paper	3 reams	7,000	21,000
3.10	Glue	1	7,000	7,000
3.11	White Wash	3	1,200	3,600
3.12	Masking Tape	2	5,000	10,000
3.13	Cello tape	1	5,000	5,000
3.14	Clips	1 packet	2,000	2,000
3.15	Desk Diary	1	13,000	13,000
3.16	Envelopes	1 packet	2,500	2,500
3.17	Hoes	24	4,000	96,000
3.18	Slashers	50	3,000	150,000
3.19	Pangas	2	3,000	6,000
3.20	First Aid Box			30,383
3.21	Workshops and Meetings			133,000
	Sub Total			723,007

Administration

Line	Item	Quantity	Rate	Amount
4.1	Transport			137,605
4.2	Bank Charges			24,400
4.3	Emergencies			80,000
4.4	Night Watchman			240,000
	Sub Total			482,005

Contingency = 482,005

Grand Total 4,820,049

Approved at SMC meeting _____ (Date)

Signed

Head teacher _____ SMC Treasurer _____

SMC Chairperson _____ DEO _____

GETTING INPUT FROM STAKEHOLDERS FOR THE BUDGET

Your School Improvement Plan (or School Development Plan) will include specific activities aimed at improving education in your school. The Annual Budget will need to reflect the costs of such an activity. In this case, it may be helpful to invite persons responsible for each specific activity to draft a budget, in collaboration with pertinent stakeholders. This submission should provide a detailed costing of proposed activities including:

1. A description of proposed activity
2. A breakdown of the items of expenditure under that activity
3. The cost of each item and the number of items required
4. The time during which that expenditure will occur
5. An estimate of total anticipated cost

For example, if Katwe School prioritised football development in its SIP, the teacher in charge of football might prepare a submission that looks like this:

Football Development Budget Submission					
Priority	Item	Timing	Unit Cost	Number Required	Cost
Football	Footballs	March	30,000 /=	2 balls	60,000 /=
	Refreshments at matches	April- July	10,000/=	4 matches	40,000 /=
Total					100,000 /=



Activity 5.3: Preparing a Budget Submission (20 minutes)

Work in small groups. This activity provides practice in costing activities and preparing a budget submission. Katwe School has also prioritized the development of teaching in P1 in its SIP. Imagine that you are the P1 teacher and that you have been asked to prepare a budget submission for around 100,000 /=. Use the same format previously used for football example.

Budget Submission Template

Priority	Item	Timing	Unit Cost	Number Required	Cost
Total					

PLANNING THE TIMING OF EXPENDITURES

When drafting your budget, the SMC will need to prioritize items that are ‘need to have’ items over those that are ‘nice to have’. Finally, it will be necessary to distribute your expenditure throughout the year. Experience will tell you at what time of the year you will incur each category of expenditure. For some items spending will be steady throughout the year, others will be concentrated in specific months.



Activity 5.4: Planning the timing of expenditures (15 minutes)

Work in pairs.

This activity provides participants with practice in allocating expenditure to specific periods during the financial year.

Analyze the example budget lines presented below, and allocate the amounts in figures to their respective months.

You will be asked to share your answers in plenary.

Item	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Duplicating exam papers	200,000/=												
Building teacher accommodation	600,000/=												
Football	80,000/=												
Purchase of P1 materials	100,000/=												

APPROVAL OF THE BUDGET

Any school budget must enjoy broad support. It should be directly linked to implementing an agreed School Improvement Plan. The development and approval of the budget must be a transparent and consultative process. The resulting budget must be formally adopted in a motion of the SMC. Budget must be counter-signed by:

- The Head teacher
- The SMC Chairperson
- The SMC Treasurer
- The District Education Officer

Note: A format for the preparation of a budget for UPE Grants is provided in Appendix B.

SUMMARY OF KEY POINTS

- A budget is a plan of expenditure and income for a given period of time – usually a year.
- A budget is a tool against which accountability can be measured.
- A school budget is a financial expression of its School Improvement Plan.
- Budgeting preparation and implementation should be appreciated as an integral part of the annual cycle of School Improvement or Development Planning.
- A series of recognized steps should be followed during budget preparation.
- Stakeholders should be properly consulted in the preparation of a budget.
- When constructing a budget one should not just consider the amount of income and expenditure but its timing as well.
- A school budget should be approved by: the head teacher, SMC Chairperson, SMC Treasurer and the District Education Officer.

☞ Trainer's Notes ☞



Time Breakdown

Introduction: What is a budget?	10 minutes
Activity 5.1: Budgeting self-assessment checklist	20 minutes
Steps in preparing your budget	15 minutes
Planning income	10 minutes
Activity 5.2: Katwe School budget	35 minutes
Activity 5.3: Preparing costed budget submissions	20 minutes
Activity 5.4: Planning the timing of expenditure	15 minutes
Approval of the budget	5 minutes
Total	2 hours



Objectives

Participants should be able to:

- Articulate the linkages between the Education Improvement Cycle, the School Improvement Plan and Annual Budgeting
- Draft a budget that conforms to national standards
- State the purpose of a budget
- Identify steps in the participatory budgeting process
- Solicit budget submissions
- Allocate expenditure to months and monitor cash flow



Materials

Flip chart stand, Flip chart paper, pens. This session requires no additional resources other than copies of the manual for each participant.



Procedure

1. Introduce the session in discussion by inviting participants to define what a budget is and what the purpose of having a budget is. Emphasize that a budget simply expresses plans in financial terms. Therefore school budget should be seen as a financial expression of the School Improvement Plan. You may use the proverb provided, or any other local proverb you know to help emphasize this.
2. Invite participants to assess their own existing practice by doing Activity 5.1- 'Budget Self-Assessment Checklist.'

3. After Activity 5.1 is complete, ask participants to reflect on their strengths and areas where they may need to improve. These may be areas that the school should focus on when developing its 'School Financial Procedures' at the end of the module.
4. Ask participants to share the common problems that they face when budgeting.
5. Present the seven steps to budget preparation; emphasizing that budgeting should be a participatory process. However make the point that in reality some steps may occur at the same time. For example, the steps of identifying expected income and expenditure items will occur in interaction with each other.
6. Present the content of the section on 'Planning Income'.
7. Invite participants to do Activity 5.2- 'Katwe School Budget.' Use the plenary of the activity to consolidate the input made previously in the session. Allow sufficient time in plenary discussion so that locally relevant issues and concerns about budgeting can be discussed. A model answer is provided in Appendix A.
8. Introduce budget submissions, and ask participants to conduct the accompanying activity (Activity 5.3). Emphasize that this activity illustrates how to implement a participatory approach to budget preparation. Also emphasize that this exercise provides practice in the systematic costing of activities.
9. Introduce planning the timing of expenditure and ask participants to conduct Activity 5.4.
10. Discuss the answers to Activity 5.4 in plenary. Focus on why it is important to plan the timing of expenditure and what strategies head teachers can use to minimize the negative consequences of the late release of grants.
11. Present the content on approval of the budget, re-emphasizing that budgeting cycle is part of the annual cycle of School Improvement Planning.
12. Conclude the session by asking participants in plenary to state what they think the key learning points of the session have been. Supplement their contributions with any additional points from the 'Summary of Key Points' that they have not mentioned.

SESSION 6: RECEIVING AND BANKING MONEY

Sente teralika (Luganda) – Money will not warn you, take care!

Rationale:

If schools are successful in their efforts to fundraise then they will need to know correct procedures for documenting the receipt of funds and banking those funds.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Establish correct procedure for receiving money in their school
- Correctly complete a receipt
- Complete a bank deposit slip
- State reasons why cheques that have been received may be dishonoured

Duration: 45 minutes

Other Sources of Information:

TDMS Module 3, Unit 3.2, pages 51-73

Content:

INTRODUCTION

If schools are successful in their efforts to fundraise (see Session 4), they will need to know correct procedures for documenting the receipt of funds and banking those funds. Each school needs to have at least one bank account. Where a school is undertaking a specific development project, they may elect to open a second account to avoid the mingling of project funds with funds for routine schools expenditure and make accounting easier. If your school needs assistance in opening a bank account, refer to the 'Notes on Opening a Bank Account' in Appendix B. This provides advice on choosing the type of account to open and a checklist of supporting documentation required.

To ensure accountability, whenever a school receives money, a receipt must be issued. This is proof that the money was actually received. It is advisable to maintain only one receipt book. Every receipt in the book should carry the school stamp.

PROCEDURES FOR ISSUING RECEIPTS

The following strict procedures should be followed when issuing receipts:

- Receipts must be issued in numerical order.
- The original is given to the payer and the duplicate/carbon paper is retained.
- The details are to be completed in blue or black ink with a clear handwriting.

- Receipts should have the following details on them:
 - The unique serial number of the receipt
 - Full names and surnames of the payer
 - The date on which payment is being made
 - The amount to be written in words and figures
 - The reason for the payment to be stated e.g. trip, sports fees
 - The nature of the payment e.g. cash/cheque
 - Name and signature of the recipient
 - School stamp on it
- No alterations should be made on any receipt. If a mistake is made it should be cancelled by writing the word “CANCELLED” across the original receipt and duplicate carbon copy.
- A receipt should be issued for any amount of money received.
- If you receive a post-dated cheque, do not issue a receipt until the date stated on the cheque.
- The cashbook should be ruled off in red ink at the point when the money is deposited. The date, series of receipts numbers and amount being banked should be clearly indicated. Similar balancing should be done in the accounting records, specifically in the receipt cashbook, before money is deposited.



Activity 6.1: Issuing receipts (10 minutes)

This activity will ensure that participants know which information should be included in a standard receipt. Examine the receipt below and answer the following questions

1. You have received a donation of 10,000 /= from Mr. Sebi towards construction of new school toilets. Complete the receipt below for him.
2. Why is important to write *Cancelled* across a receipt and the carbon copy and keep them if you make a mistake? Think of the confusion that might later happen if you don't.

Receipt

School Name: _____

Receipt Number: _____ Date: _____

Received from: _____

Amount in words: _____

Amount in figures _____

Being in payment of _____

Received by: _____ Signature _____

DEPOSITING MONEY IN THE BANK

If you are successful in your fundraising, you will need to know how to deposit money into your school's account. *The MOES requires that a head teacher banks all money received by a school before it is put to use.* This strengthens accountability since it ensures that all money received is also reflected in a

bank statement. It also ensures that money is kept safely. The following guidelines should be observed.

- Deposit slips should be properly completed and the amount should be balanced with that in the receipt cashbook.
- The head teacher or the Treasurer is responsible for depositing all the money.
- Arrangements for depositing money must be varied to reduce the risk of robbery as a result of making your movements predictable.
- All deposits should be immediately recorded in the cash book.
- All cash received by a school must be deposited into the school bank account before it is used, so that it is reflected in a bank statement.

It is particularly important that you know how to complete a deposit form. The following exercise will practice this.

 **Activity 6.2: Depositing money (20 minutes)**

Work individually. This activity will ensure that participants know how to properly complete a bank deposit form. Imagine you are the treasurer of Nile School; use the information below to prepare a deposit form into the school's savings account. Hint the number of each denomination of coin or note must be entered in the 'No. Deposited' column. (A model answer is found in Appendix A.)

Account no: 123456890 **Date:** 30th Nov. 2005 **Branch:** Masindi
 Money being banked
Coins 12 x 50 /= 10 x 100 /= 4 x 200 /= 3 x 500 /=
Notes 10 x 1000 /= 4 x 5000 /= 3 x 10,000 /=

Bank X																																								
Cash Deposit																																								
Date _____																																								
Name _____																																								
Branch _____																																								
Account No. <input style="width: 20px; height: 15px; border: 1px solid black;" type="text"/>																																								
Type of Account <input type="checkbox"/> Cheque <input type="checkbox"/> Saving <input type="checkbox"/> Loan <input type="checkbox"/> Deposit																																								
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Teller's stamp and signature	Depositor's signature																																							

A similar format is used by banks for the depositing of cheques. It will normally look like this:

Bank X
Cheque Deposit

Date _____
 Name _____
 Branch _____
 Account No.

--	--	--	--	--	--	--	--	--	--

 Type of Account Cheque Saving Loan Deposit

Bank on whom cheque is drawn	Cheque No.	Amount Ushs
1		
2		
3		
4		
5		
6		
Total		/=

Depositor's Name _____ Signature _____

Amount in words _____

Depositor's name _____
 Contact Number _____

Tellers stamp and signature	Depositor's signature
-----------------------------	-----------------------

DISHONOURRED CHEQUES

Sometimes cheques that you receive may be dishonoured, which means that the bank refuses to pay them. This may be for a number of reasons:

1. The payer does not have sufficient funds in their account to support payment.
2. Changes may have been made to the cheque.
3. The cheque may be stale – more than six months old.
4. The cheque may be post-dated – i.e. dated in the future.
5. The drawer may have stopped payment.
6. The cheque may be physically damaged.
7. The account may have been closed or blocked.

In such a case you must immediately seek repayment, by contacting the individual or organisation that submitted the cheque.

SUMMARY OF KEY POINTS

- A correctly completed receipt must be issued for all income received by the school.
- All money received by a school must be banked before it is used.
- To deposit money it is necessary to correctly complete a bank deposit slip.

👉 Trainer's Notes 👈



Time Breakdown

Introduction	5 minutes
Presentation of content and Activity 6.1: Issuing receipts	15 minutes
Presentation and Activity 6.2: Depositing money Dishonoured cheques	20 minutes 5 minutes
Total	45 minutes



Objectives

Participants should be able to:

- Apply correct procedures for receiving money
- Correctly complete a receipt
- State reasons why cheques that have been received may be dishonoured



Materials

Flip chart stand, Flip chart paper, pens. This session requires no additional resources other than copies of the manual for each participant.



Preparation

Facilitators may wish to prepare a copy of the receipt format on a flip chart paper to ease plenary discussion.



Procedure

1. Make a link to the session on 'Local Fundraising' using the 'rationale' and objectives for the session.
2. Emphasise that correct procedures for receiving and banking money are followed in order to ensure that a school can be accountable for all funds it receives in order to deliver quality education.
3. Ask participants if they require assistance in opening a bank account. If so refer them to the 'Notes on opening a bank account' in Appendix B.

SESSION 7: MANAGING PAYMENTS



Rationale:

Having dealt with the systems of accountability for receiving money we now turn our attention to the management of payments on behalf of the school. This session introduces the steps of the payment management process, and reviews what must be done prior to a purchase. Subsequent sessions discuss other elements of the payment and recordkeeping process.



Objectives:

Upon completion of the activities of this session, participants should be able to:

- Implement correct procedures for accountability when making payments
- Accurately complete and manage the necessary documents to support payments



Duration: 1 hour 25 minutes



Other Sources of Information:

TDMS Module 3, Unit 3.2, pages 74-128



Content:

INTRODUCTION

School expenditures should be controlled to make sure that school money is used to achieve school objectives. Records of money spent must be meticulously kept. A number of records and forms are used to do these things when funds are spent. The following list summarizes the documents required and the sessions of this Module which address them:

	<i>Financial Document</i>	<i>How Used</i>
Before Payment	Invoice (Session 7)	Requests payment for goods or services from a supplier.
	Payment Vouchers (Session 7)	Approves the expenditure of school funds for a specific purpose
	Local Purchase Orders (Session 7)	Gives authority for a supplier to provide goods or services on credit (guarantees that payment will be made)
	Delivery Notes (Session 7)	Acknowledges receipt and acceptance of goods
	Petty Cash Vouchers (Session 9)	Permits taking petty cash funds in order to make a school-related purchase

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During Payment	Withdrawal Forms (Session 7)	Bank forms that must be completed to withdraw funds from a savings account
	Cheques (Session 7)	Serves as direct payment to suppliers of goods or services; can also be used to withdraw funds from a cheque account
	Purchase Receipts (Session 6)	Serves as evidence that funds were spent in a specific way
After Payment	Petty cash record (Session 9)	Tracks the usage and balance of petty cash funds using the imprest system
	Cash Book (Session 8)	Serves as the day-to-day record of all financial transactions for school funds
	Vote Book (Session 11)	Records expenditures by budget category

INVOICES

The documentation of a purchase will often begin with you receiving an invoice. An invoice (also commonly known as a bill) is a request for payment for goods or services from a supplier. Like receipts you should insist that they be headed with the company details of the supplier. A typical invoice might look like this example invoice for a monthly electricity bill. In many shops the invoice and the receipt for a single transaction are combined into single document marked “Tax Invoice/Receipt”.

Electricity Company X				
Tax Invoice				
Electricity Bill. Please bring with you when making payment				
Premise Number	Your Account Number	Bill Number		
444-15-022- A 38990	3948274788	00028837489		
Luwero Town Primary School PO Box 200 Luwero Luwero		Reading Date – 31/-5/2005		
		Bill Date – 03/06/2005		
		Tariff - Public		
This bill is for electricity supplied to Luwero Town Primary School, Plot 44, Main Street, Luwero				
Any queries concerning this bill should be done at your local Umeme Office which is located at Luwero. Tel. 555-58585				
Previous Reading	Current Reading	Units	Ush/unit	Amount
Meter No 44444 85374	85830	15 441	50.00 212.50	750 93,713
Standard Service Fee				2,000
VAT			17.00%	16,399
Total Current Month's Charges				112,862
Plus Balance from Previous Bill:				49,566
Less Payments/ Adjustments				50,000 Cr
Total Amount that You Now Owe				112,427
THIS ACCOUNT MUST BE PAID WITHIN 14 DAYS OR YOUR ELECTRICITY SUPPLY MAY BE DISCONNECTED WITHOUT FURTHER NOTICE				
TIN NO. B04 009 0050 C			VAT Number 37745L	

PAYMENT VOUCHERS

Before cash can be withdrawn from the bank by a school to make a payment or a cheque can be written, the person requesting the money to make the payment must complete a 'payment voucher' form. This document supports and justifies a payment. It proves that the expenditure is approved by the SMC and thereby acts as a control on expenditure. Once you have established what needs to be purchased, the head teacher should prepare a payment voucher, filling in details of the goods or services for and their cost. It should be checked and signed by three signatories on the school account. If possible, the person receiving cash payment should also sign at the bottom. After being approved, the head teacher prepares a cheque or makes the necessary cash withdrawal to make the purchase, which has been authorised.

Before signing approval of a payment voucher, the Treasurer should check the following:

- Is the amount within the budget? This can be checked with reference to the Vote Book.
- Is the amount reasonable?
- Does the invoice match the quotations?
- Is the invoice calculated correctly?
- In some cases where services are provided by private individuals, they may not be able to provide an invoice. In such cases a letter of agreement should be prepared.
- Are all the necessary supporting documents attached?
 - A delivery notice to prove that goods were received
 - An original invoice stating exactly how much must be paid
- At least two signatories must sign to approve a payment voucher at one time.
- No cash received may be used for payments before being deposited. This problem occurs when cash that is collected by a school is then used immediately as petty cash without first being banked.
- Tenders or at least three quotations (quoted prices) must be called for in a case of any expenditure over an agreed predetermined amount before any purchase is made.



Activity 7.1: Using a Payment Voucher (20 minutes)

Work individually. Imagine that you are the head teacher of Katwe School. You want to ask the Treasurer to withdraw 100,000 /=^{Ug} to pay for transport of a sports team to Kampala. Requisition the money using the template below:

1. Complete the payment voucher form below.
2. What documentation should be attached to the form?
3. What follow up must the Treasurer make after the purchase has been made in order to ensure physical accountability for the money that has been spent?

Sample Payment Voucher

Payment Voucher Katwe Primary School	
Voucher Number: _____	Date: _____
Mode of Payment: Cash or Cheque No. _____ Vote _____	
Paid to: _____ _____	
Details of Payment: _____ _____ _____	
Total Amount: _____	
Prepared By: _____	(Title) _____
Checked By: _____	(Title) _____
Approved By: _____	
(Chairperson/Treasurer SMC/PTA)	
Received By: _____	(The Payee)

After a purchase is made, your financial records should include *both* the payment voucher *and* the original purchase receipt.

DISCUSSION POINTS

All supporting documents should be attached to a payment voucher when completing financial records. Such attachments might include:

- The written quotation (if relevant)
- The invoice
- The receipt (Wherever possible these should be headed with the companies details)
- The delivery note (if relevant)

It is important to note that documentation of a purchase can be fabricated. Therefore it is always good practice to also request ‘physical accountability.’ That means requesting to see the item purchased and verifying that it exists.

LOCAL PURCHASE ORDER

A local purchase order (LPO) gives authority for an approved supplier to supply a specific kind of goods or services on credit. To use this system a school must first make necessary arrangements with a supplier. The SMC must approve this supplier and confirm that their prices are fair. This may involve a tendering process in which the prices of several potential suppliers are compared. Orders may then be made against an agreed price list covering an agreed period of time. Then when goods are needed first check that the supplier can provide the items requested. Then complete the local purchase order and obtain the items. Afterwards a payment voucher must also be completed to authorize payment for the items received. Payment can then be made either by cheques or cash. It is important to remember the following when completing a local purchase order:

- Three copies of the LPO must be completed. These are distributed to the supplier, the school file and the SMC file.
- LPOs must be numbered and filed chronologically.
- The LPO should be signed by the head teacher and the Treasurer or SMC Chairperson.



Activity 7.2: Completing a Local Purchase Order (15 minutes)

Work Individually. This activity provides practice in completing a local purchase order. Imagine that you are the head teacher of Masaka Primary School. You have a LPO arrangement with Business Supplies Ltd for the supply of stationery to your school. You want to buy 20 manila papers @ 50/= and 100 pencils @ 100/=, but you can't pay for it for another two weeks, when you expect the next UPE Capitation Grant allotment to arrive. Complete the LPO format below for these goods. You may estimate relevant prices.

Local Purchase Order (Name and Address of School)				
LPO Number: _____ Date: _____				
To: _____				
With reference to our previous discussion, please supply the following goods/ services to the school at the prices indicated and provide us with an invoice for the goods and services supplied.				
Item No.	Quantity	Description	Unit Price	Cost
			Total	
Prepared By: _____			Vote: _____	
Checked By: _____			(Head teacher)	
Approved By: _____			(SMC Chair/Treasurer)	

DELIVERY NOTE

If any goods are delivered to your school then the supplier should provide you with a delivery note. This is true whether the goods have been ordered using a local purchase order or not. This acknowledges your receipt and acceptance of the goods. You will be asked to sign this, so before you do so you should check the actual number and condition of the goods supplied against those ordered. The original is kept by the buyer and a copy is sent back to the supplier. When using a

MODULE 3 — MANAGING SCHOOL FINANCES

local purchase order, the delivery note should be attached to a payment voucher before payment can be approved. The items listed on a delivery note should not be put into use in a school until they have also been entered into the school's inventory. An example of a delivery note is shown below:

Delivery Note		
Business Supplies Ltd		
Address: xxxx		
No. _____		Date: _____
Ordered by _____		
Order no _____		Please Acknowledge receipt of the following goods
Item	Qty	Description
The above goods have been received in good order and condition.		
Received by: _____		Title: _____
Signature: _____		Date: _____

CHEQUES AND WITHDRAWAL FORMS

In some districts it is standard practice for all schools to maintain a cheque (current) account. In other districts it is more usual for schools to have a savings account. With a current account, a cheque can be used to withdraw cash from the bank. With a savings account, a withdrawal form is required. Both cheques and withdrawal forms are similar in the information they contain. A typical withdrawal form looks like this.

Bank X		Withdrawal Receipt	
Branch Where Account Held		Savings Account <input type="checkbox"/>	Investment Account <input type="checkbox"/>
Name (block letters)		Date	
Postal Address		Account Number	
		Amount	
Identity Number		Amount in Words	
Tellers date stamp	For Bank Use		
	Savings Account New Balance		
	Identify Verified	Initials Teller	
	Balance Compared	Checked by	
	Signature Verified	Checked by	Signature

Cheques can also be used for direct payment to the suppliers of goods or services to a school. To facilitate financial control and accountability, all payments should be made by cheque, whenever possible. A cheque is an instruction to the bank to take money from your account and pay someone else. They must not be issued by a school without a signed and approved payment voucher.

The following information is written on the cheque itself:

- The date
- The payee
- The amount written in both words and numbers
- The signatures of at least two authorized signatories

The following information should be on the cheque counterfoil. This is the part of the cheque that remains in the book once the cheque itself has been detached. It is your record of the cheques you have written:

- The date
- The payee (person you are paying)
- What you are paying for
- The amount written on the cheque

The following additional precautions make the cheque safer:

- Cross the cheque with two parallel lines. Write ‘Account payee only’, and sign in these lines, so it cannot be cashed over the counter and must be paid into a bank account.

Date _____	Uganda Bank			Date _____
Payee _____	Uganda Bank Ltd. Kampala Rd Branch PO Box 1234, Masaka			00001 040444 123456
Amount _____	Pay _____	// //		UGX
_____	Uganda Shillings _____			signature _____
UGX	Cheque Number 00001	Bank Code 040444	Account Number 123456	Masaka Primary School



Activity 7.3: Writing a Cheque (5 minutes)

Work individually. This activity provides participants with practice in drafting cheques correctly. Draft the cheque required to pay for the stationery order used as an example in the previous activity 7.2. The invoice is for 11,000 /= payable to Business Supplies Ltd.

SUMMARY OF KEY POINTS

- Keeping complete and up-to-date records of all expenditures is essential for ensuring full accountability.
- All payments should be supported by a payment voucher correctly completed and approved by the SMC.
- A local purchase order may be used by agreement with a supplier to procure goods on credit.
- It is essential that all deliveries to a school are checked and supported by a signed delivery note.
- Payment by cheques is preferable to cash. It is important to know the correct procedure for drafting a cheque.

 **Trainer's Notes** 



Time Breakdown

Introduction	5 minutes
Presentation on Invoices and Payment Vouchers	10 minutes
Activity 7.1: Using a Payment voucher	20 minutes
Presentation and	
Activity 7.2: Completing a Local Purchase Order	15 minutes
Delivery notes	5 minutes
Presentation on Cheques	
And Withdrawal Forms	10 minutes
Activity 7.3: Writing a Cheque	5 minutes
Concluding Summary	5 minutes
Total	1 hour 25 minutes



Objectives

- Implement correct accountability procedures when making payments
- Complete and manage the necessary documents to support payments



Materials

Flip chart stand, Flip chart paper, pens. This session requires no additional resources other than copies of the manual for each participant.



Preparation

Facilitators are advised to prepare flip chart paper visual aids of the payment voucher, local purchase order, and cheques. This will facilitate plenary discussion after the relevant activities have been conducted.

SESSION 8: MAINTAINING A CASHBOOK

Lim Welo (Luo) - Money is a visitor

Rationale:

Schools must keep records of every transaction in a cashbook. This session will show you how to do this. The cashbook is the centre-piece of your financial records and the one that auditors will scrutinize closely. To master this skill requires considerable practice. The session therefore contains two extended exercises.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Set up and maintain a cashbook reflecting all financial transactions by a school

Duration: 2 hours 25 minutes

Other Sources of Information:

TDMS Module 3, Unit 3.2, pages 88-90

Content:

INTRODUCTION

Every school should maintain a cashbook (also known as a ledger book). This is a day-to-day record of all financial transactions. Maintaining a cashbook is one of the most challenging financial management tasks faced by a head teacher. Nevertheless, without a properly maintained cashbook it is impossible to ensure high quality financial management. The skill of keeping a cashbook can only be mastered through worked examples and repeated practice. Accounting books for this purpose are available at most stationers. Records must be kept for both bank transactions and cash transactions.

GUIDELINES FOR KEEPING ACCOUNTING RECORDS

A photocopyable cashbook template is provided at the end of this manual. This format keeps simultaneous records when school funds are received and when they are expended. Keep in mind the following guidelines when completing a cashbook using this format:

- Write on the first open line. Do not leave any lines open as this leaves room for fraud.
- The cashbook should be updated daily and reported upon quarterly to the SMC and District.
- Receipts (income) should be recorded towards the left hand side of the page.
- Payments (expenditure) should be recorded just to the right of the receipt section.
- When cash is received, it should be recorded first as Received as Cash, but then should promptly be deposited in the bank.
- When cash is deposited into the bank, this is recorded as a receipt to the bank and a payment from cash on the same line.

- When cash is withdrawn from the bank this is recorded as a receipt to cash and a payment from the bank on the same line.
- The amount of each purchase should be recorded also in one of the four Budget Category (Vote) columns, towards the right of the page.
- Ensure that only one transaction is recorded per line.
- Treat receipt as a single transaction. If multiple items were paid for on a single receipt, e.g. an itemised stationery order, then you should still record this on a single line.
- After each transaction update the columns for 'Balance in cash' and 'Balance in Bank' on the extreme right hand side of the page.
- If you make a mistake, rule a line across the whole line. Rewrite the whole line and put your initials next to the change. In accounting, never use correction fluid as this increases the possibility of fraud.
- Try to record transactions in the order in which they happen (chronologically). However this will not always be possible. Sometimes you will not discover that a transaction has happened until later. This will often be the case with bank charges, interest payments, or if someone makes a direct deposit into your account without your knowledge. In practice you will record transactions in your cash book in the order that you find out about them.

In the cashbook system which we are recommending here, are six different kinds of transaction. These are illustrated on the next page together with the correct way of recording them:

RECORDING THE SIX DIFFERENT KINDS OF TRANSACTION

1. Receiving deposits directly into your bank account from another bank account

If the District Office or some other donor deposits money directly into the account, or you deposit a cheque, or you receive an interest payment on your account, then enter this in the ‘Received at the Bank’ column and update the ‘Balance in Bank’ column accordingly.

- If for example Luwero Town School received 500,000 /= for UPE Grant by direct deposit, it would be recorded as follows (assuming a zero opening balance).

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	Nb	Received From	Detail	Received as Cash	Received at the Bank	Date	Nb	Paid To	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
1	25/01/05	222	Luwero District Council	UPE Capitation Grant		500,000											0	500,000

2. Receiving Cash

If you receive money in cash (e.g. a cash contribution from a parent) then enter it in the ‘Received as Cash’ column and update the ‘Balance in Cash’ accordingly.

- If, on the following day, the same school then received 100,000 /= from an SMC fundraising event it would be recorded as follows.

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	Nb	Received From	Detail	Received as Cash	Received at the Bank	Date	Nb	Paid To	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
2	26/01/05	Receipt no 123	SMC	Profit from fundraising	100,000												100,000	500,000

3. Depositing Cash into the Bank Account

If you are depositing cash to the bank then you are transferring money from your cash balance to your bank account. This is recorded as both a receipt to the bank and payment from cash, *on the same line*. You will need to update *both* the cash and bank balances accordingly.

- If on the following day the head teacher deposits the 100,000/= raised into the bank account, it will be recorded as follows.

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	Nb	Received From	Detail	Received as Cash	Received at the Bank	Date	Nb	Paid To	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
3	27/01/05		Cash	deposit of SMC funds		100,000	27/01/05		Bank	Deposit of SMC funds	100,000						0	600,000

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4. *Withdrawing Cash from the Bank*

If you are withdrawing cash from the bank then you are transferring money from your bank account to your cash balance. This is therefore recorded as both a receipt to cash and payment from the bank at the same time, *on the same line*. You will then need to update *both* the cash and bank balances accordingly.

- If, on the following day, the head teacher withdraws the 50,000/= cash, it will be recorded as follows.

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	No	Received From	Detail	Received as Cash	Received at the Bank	Date	No	Paid To	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
4	28/01/05		Bank	Cash withdrawal	50,000		28/01/05	Cheque 432	Headteacher' (petty cash)	Cash withdrawal		50,000					50,000	550,000

5. *Cash Payments*

After you have withdrawn cash to make a payment, that purchase should be recorded in the 'Paid in Cash' column. The 'Balance in Cash' should be updated accordingly. In this case the category of expenditure should also be recorded in the appropriate column.

- If, on the following day, the head teacher spends the 50,000 cash at Luwero Stationers, on stationery for the school office, this will be recorded as follows.

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	No	Received From	Detail	Received as Cash	Received at the Bank	Date	No	Paid To	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
5							29/01/05	Receipt 444	Luwero Stationers	Assorted Stationery	50,000				50,000		0	550,000

6. *Bank Payments*

If you make a cheque payment (e.g. writing a cheque to pay a book supplier) or direct transfer to another person's bank account, or if the bank levies bank charges on your account, then record this in the 'Paid via Bank' column and amend the 'Balance in Bank' column accordingly. The payment should also be recorded under the appropriate expenditure category.

- If on the following day, the bank charges 10,000 /= bank charges on the account, this will be recorded as follows.

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	No	Received From	Detail	Received as Cash	Received at the Bank	Date	No	Paid To	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
6							30/1/05		Bank	Bank Charges		10,000				10,000	0	540,000

Common Errors

The following errors are particularly common among head teachers when maintaining their cashbooks. You should guard against them.

- Entering more than one transaction on the same line. You can guard against this if you update both your balance in cash and in the bank after each and every transaction.
- Leaving open lines. As stated above each new entry should be written on the first open line below the previous entry. Leaving space between successive entries should be avoided as it leaves scope for fraudulent entries to be added in the line left open.

WORKED EXAMPLE

The following worked example shows how Luwero Town Primary recorded its transactions in a cashbook for the month of March 2005.

Transaction 1: At the beginning of the month the balance brought forward in the bank account was 50,000 UGX. No cash was held.

Transaction 2: On 01/03/05 Luwero Town Primary received 1,500,000 UGX UPE Capitation grant from Luwero District Office by direct deposit into the school bank account.

Transaction 3: On 03/03/05 the head teacher withdrew 300,000 UGX from the bank (using cheques number 0011).

Transaction 4: On 03/03/05 the head teacher bought following items from Esther's Stationers. All the items were on the same receipt (number 234) and she paid using cash.

Item	Quantity	Rate	Amount
Pens	7 packets	10,000	70,000
Chalk	3 cartons	45,000	135,000
Markers	8 packets	8,000	64,000
Total			269,000

Transaction 5: On 03/03/05, the head teacher redeposited the balance of 31,000 UGX into the bank.

Transaction 6: On 05/03/05 the SMC organized a fundraising film show and raised 150,000 UGX in cash.

Transaction 7: This money (150,000 UGX) was deposited in the bank on 07/03/05.

Transaction 8: On 11/03/05 the head teacher bought the following items from Sports World Ltd using a cheque (number 0012).

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Item	Quantity	Rate	Amount
Footballs	2	50,000	100,000
Netballs	2	50,000	100,000
Volleyball	1	50,000	50,000
Total			250,000

Transaction 9: Anticipating a purchase of office stationery, on 22/03/05 the head teacher withdrew 100,000 in cash from the bank (using cheque number 0013).

Transaction 10: On the same day she then bought the following items of office stationery from Esther's Stationery (receipt number 444). Again she paid in cash.

Item	Quantity	Rate	Amount
Staples	1 packet	10,000	10,000
Manila Cards	300	300	90,000
Total			100,000

The completed cashbook on the following page shows how Luwero Town Primary School recorded this income and expenditure activity in their cashbook.

Review the transactions, keeping in mind the six types of transactions previously described.

Note: A template for the cashbook is provided in Appendix B to photocopy and use.

MODULE 3 — MANAGING SCHOOL FINANCES

**Cashbook – Luwero Town Primary
Month/Year: March 2005**

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	No	Received From	Detail/particulars	Received as Cash	Received at the Bank	Date	No	Paid to	Detail/particulars	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
1	01/03/05			Balance Brought Forward		50,000											0	50,000
2	01/03/05		Luwero District Office	UPE Capitation Grant		1,500,000											0	1,550,000
3	03/03/05	0011	Stanbic Bank	Cash withdrawal	300,000		03/03/05	0011	Head teacher	Cash withdrawal		300,000					300,000	1,250,000
4							03/03/05	234	Esther's Stationers	Stationery Purchase	269,000		269,000				31,000	1,250,000
5	03/03/05		Head teacher	Deposit of balance after purchase		31,000	03/03/05		Stanbic	Deposit of balance after purchase	31,000						0	1,281,000
6	05/03/05		SMC	Funds raised by film show	150,000												150,000	1,281,000
7	07/03/05		Head teacher	Deposit of cash from film		150,000	07/03/05		Stanbic	Deposit of cash from film	150,000						0	1,431,000
8							11/03/05	0012	Sports World Ltd	Itemized sports equipment		250,000		250,000			0	1,181,000
9	22/03/05	0013	Stanbic Bank	Cash withdrawal	100,000		22/03/05	0013	Head teacher	Cash withdrawal		100,000					100,000	1,081,000
10							22/03/05	444	Esther's Stationers	Itemized office stationery	100,000				100,000		0	1,081,000

Practice makes perfect! Now try two examples for yourself!

 **Activity 8.1: St. James School Cashbook (45 minutes)**

Work individually, but assist one another. Use  Handout A found in Appendix B.

This activity will provide you with useful practice in entering transactions correctly into a cashbook. Read the following case study of financial transactions at St James School below and answer the questions that follow.

1. Write up the cashbook from 18th March 2005 to 7th May 2005. Assume that there is no balance brought forward from the previous period.
2. What is the balance in the savings account after the below transactions?
3. How much cash is held in hand on 7th May 2005? What should be done with that cash?

Model answers are provided in Appendix A, but do not look at these until you have tried to answer by yourself. The session will be concluded with a plenary discussion.

Transaction 1: St James School receives 2,800,000/= from Tororo District office on 18th March 2005. The cheque is deposited in a savings account at Stanbic Bank in Tororo.

Transaction 2: While most of the expenditure is planned for later in the year, the school has planned to start with two different interventions. The first, under Scholastic Materials, covered stationery for teachers to enable them to present classes more effectively. On 2nd April 2005, 170,000/= was withdrawn by the head teacher from the account.

Transaction 3: On the same day, the following purchases were made in cash from Tororo Stationers on a single invoice and receipt:

2.4.05	Ballpoint pens	20,000 /=
	Felt pens	10,000 /=
	Rulers	10,000 /=
	Marker pens	60,000 /=
	Newsprint	70,000 /=
	Total	170,000 /=

Transaction 4: On 2 May, 200,000 /= was withdrawn from the account by the head teacher, in order to make the purchases listed below.

Transaction 5:

3.5.05	Base-ball bat and football from Sports world ltd	55,000 /=
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Transaction 6:

3.5.05	Netting for goalposts from Super sport Stores	20,000 /=
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Transaction 7:

3.5.05	Wood for goalposts from Tororo Hardware	80,000 /=
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Transaction 8:

7.5.05	Workmanship on goalpost construction from Mr. Etyang	40,000 /=
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Transaction 9: On 2nd May, the bank credited the school's account with 35,000/= as interest.

 **Activity 8.2: Nile School Cashbook (45 minutes)**

Work individually. Use  Handout A found in Appendix B.

This activity provides further practice in maintaining a cashbook. If you made any mistakes in the previous activity reflect upon them and try to avoid repeating them. Study the following financial transactions at Nile School in Masindi and answer the below questions:

1. Write up the cashbook from 29.5.2005 to 30.6.2005. Assume that there is no balance brought forward from the previous period.
2. How much is left in the savings account on 15 June?
3. How much cash is still held by the treasurer?

Model answers are in Appendix A, but do not look at these until you have tried to answer by yourself. The session will be concluded with a plenary discussion.

Nile School has recently linked with a school in the UK. In order to learn more about where the school is, it plans to buy some maps and other resources and to include the use of maps in lesson plans. In addition, the school plans to buy some maps of Uganda and to make its own maps of the region to send to their twin school. All the expenditure is included in the categories of instructional materials and administration. The following transactions took place:

Transaction 1: Nile School received a grant of 2,800,000/= on 2nd June 2005 from the District Office for UPE capitation.

Transaction 2: On 3 June 2005, the school withdrew 200,000/= from its savings account.

Transaction 3: On the same day, the following purchases were made using cash at Aristoc Bookshop on a single invoice and single receipt, leaving the head teacher with 6,000/= in cash.

3.6.05	Exercise books	24,000/=
	Map of the UK	70,000/=
	2 maps of Uganda	50,000/=
	Rulers	30,000/=
	Pencils	20,000/=
	Total	194,000 /=

Transaction 4: On 5th June the head teacher withdrew 200,000 /= from its savings account

Transaction 5: On the same day the head teacher made the following purchases in cash on a single invoice – also from the instructional materials expense category at Esther's Stationery.

5.6.2005	Exercise books	18,000/=
5.6.2005	Tracing paper	20,000/=
5.6.2005	Pens	10,000/=
5.6.2005	Card boards	40,000/=
5.6.2005	Envelops	20,000/=
	Total	108,000/=

Transaction 6: On 13th June the head teacher withdrew 100,000/= in cash in order to make the following purchases in cash.

Transaction 7:

13.6.2005	Postage for pack from Masindi post office	30,000/= Paid in Cash
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Transaction 8:

14.6.2005	Stamps for letters from Masindi post office	10,000/= Paid in Cash
-----------	---	-----------------------

Transaction 9:

14.6.2005	Film for camera from Masindi Photo Studio	40,000/= Paid in Cash
-----------	---	-----------------------

Transaction 10:

14.6.2005	Postcards from Esther's Stationers	15,000/= Paid in Cash
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Transaction 11: On 15th June the head teacher re-deposited 103,000/= cash into the bank account.

Transaction 12: On 30th June the savings account was credited with 45,000/= interest.

KEEPING THE CASHBOOK ORGANISED

Schools that have many financial transactions can rapidly find their cashbook filled with information. To keep it organized, it may be advisable to start a new page in the cashbook for each month, being sure to bring forward the appropriate balances. This will also help as you conduct a Reconciliation and prepare financial reports, which will be addressed in Sessions 10 and 11, respectively.

SUMMARY OF KEY POINTS

- A cashbook provides a day-to-day record of all financial transactions by a school.
- Receipts are recorded on the left and payments on the right.
- Every individual transaction should be recorded on a new line.
- A cashbook should be maintained daily and reported upon quarterly.

☞ Trainer's Notes ☞



Time Breakdown

Introduction	5 minutes
Guidelines for keeping accounting records	15 minutes
Worked example	15 minutes
Activity 8.1: St. James School Cashbook	45 minutes
Activity 8.2: Nile School Cashbook	45 minutes
Reflections on Cashbook work	10 minutes
Keeping the Cashbook organized	5 minutes
Summary of key points	5 minutes
Total	2 hours 25 minutes



Objectives

Participants should be able to:

- Set up and maintain a cashbook reflecting all transactions by a school



Preparation

Note: The calculation activities in this session are demanding. Facilitators should do them for themselves in advance of facilitating the session in order to build their own confidence.



Materials

Flip chart stand, Flip chart paper, pens, at least two copies per participant of
 Handout A provided in Appendix B.



Procedure

1. Introduce the session with reference to the rationale and objectives. Emphasize that the cashbook is the center-piece of your financial record keeping.
2. Guide participants through the 'Guidelines for Keeping Accounting Records' with reference to the template provided in the appendix. Emphasize the 'common errors'.

SESSION 9: PETTY CASH

Money persuades one who possesses it to buy things he doesn't know the use of –Godfrey N.Nsubuga



Rationale:

Making payment by cheques is always preferable. However, this is often not possible to do for small items or with some suppliers. Schools therefore need to be able to manage petty cash. It is critical that education managers recognize that petty cash must be managed as a component of the overall financial resource system. This session explains how petty cash should be managed.



Objectives:

Upon completion of the activities of this session, participants should be able to:

- Establish correct procedures for the management of petty cash in a school
- Understand and apply an imprest petty cash system
- Maintain a Petty Cash Record



Duration: 45 minutes



Other Sources of Information:

TDMS Module 3, Unit 3.2, pages 98-104



Content:

INTRODUCTION

Making payments for small items with cash is unavoidable. It is also understandable that a school may wish to keep a small amount of cash at hand for emergencies e.g. to cover transport costs if a child needs to be taken to hospital. For this purpose, schools may maintain a petty cash tin.

The Treasurer will normally look after the petty cash. Petty cash poses a temptation and many offices have problems controlling it, so it is important to be very strict, even where small amounts of money are involved. The following guidelines should be observed when managing petty cash.

GUIDELINES FOR HANDLING PETTY CASH

- a. School should agree on a maximum amount of money (e.g. 20,000 UGX) that can be held at any time in the school for petty cash requirements.
- b. Petty cash purchases should be made only when it is not feasible to make the purchase as a direct withdrawal from the bank or by cheque.
- c. All petty cash transactions must be recorded in a manner similar to cheques; thus, schools are expected to maintain a Petty Cash Record along with the Cashbook. When funds are added to petty cash from the bank account, the transaction must be recorded in both the Cashbook (as a payment) and the Petty Cash Record (as a receipt).

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- d. No advances or loans should be made out of the petty cash.
- e. Only the Treasurer, Head teacher or any other person/s duly authorized by the SMC may have access to the petty cash.
- f. Cash should only be taken if replaced by an approved petty cash voucher.
- g. Immediately after payment the receipt must be clipped to the petty cash voucher and any change returned to the petty cash tin.
- h. The petty cash should be balanced and reconciled monthly.
- i. Petty cash must be stored in a very safe place at all times.

PETTY CASH VOUCHERS

For each payment from petty cash, there should be at least two items:

- A petty cash voucher that confirms that you are taking money from petty cash in order to make a school-related purchase of goods or service. These are available at most stationers.
- A receipt to prove that the money was paid.

Each petty cash voucher should have a receipt stapled to it. All petty cash vouchers should be kept in a safe place. If you cannot buy vouchers then you may design your own based on the template provided below.

Petty Cash Voucher	
School _____	Date _____
Detail of Items to be Purchased	Amount in Shs.
Total	
Budget line	
Approved By (sign)	
Received By (sign)	

PETTY CASH CERTIFICATES

Sometimes you don't get a receipt—e.g. for a taxi. If there is no receipt to prove how you spent the money, you need a certificate, which is signed by the head teacher or treasurer. You may photocopy and use the one below.

PETTY CASH CERTIFICATE			
School Stamp	Certificate Number		
Certificate in Support of Petty Cash Payment			
I hereby certify that the following goods/services were paid for from school fund petty cash, that no receipt or other documentary proof is available and that the expenditure was necessary and incurred for school purposes.			
Date	To Whom Paid	Details of Services or goods	Amount Paid

Signature of Head teacher	Date
---------------------------	------

THE IMPREST PETTY CASH SYSTEM

The imprest system is a simple way to manage petty cash. An imprest is a previously agreed upon amount which is allocated to petty cash. You can use the reporting format illustrated on the following page to maintain your records.

1. You always start the new month with the same amount e.g. 20,000 /=. This is known as the imprest. This is kept in lockable cash tin. The amount of the imprest should be agreed by the SMC.
2. In the example below, you start the month with 20,000 /=. During the month, you spend 13,300/=. and you are left with 6,700/= in the tin. You also have vouchers (with receipts attached) worth 13,300/=. In other words the amount in the tin plus the vouchers equals the imprest.
3. At the beginning of the month, write the amount received as “imprest”. Write this on the receipts side of the Petty Cash Record.
4. At the end of the month the SMC will approve a cash requisition to restore the imprest to its original amount.
5. The Petty Cash Record should form a part of the regular financial report to the SMC.

Note that adding to petty cash should *only* be done as a formal transaction of funds from the bank account to the petty cash tin, and should be properly recorded. If a balance of funds remains from funds that were withdrawn from the bank for a specific purpose, those funds should *never* be added to petty cash, but should be re-deposited in the bank account. The next page presents an example of how a petty cash record may be maintained.



Activity 9.1: Keeping a petty cash record (15 minutes)

Work individually. This activity clarifies how to complete a petty cash record. Study the entry for the petty cash record on the next page and answer the following questions.

1. What period does the record cover?
2. How much is the imprest in this petty cash account?
3. How much petty cash was spent during this period?
4. How much money must be replaced into the tin at the end of the month?
5. Describe the process for adding funds to the imprest.

SUMMARY OF KEY POINTS

- Schools should apply strict procedures to control the use of petty cash.
- Schools should agree a maximum amount of petty cash to be held.
- All petty cash expenditure requires an approved petty cash voucher.
- Where receipts are not available a signed petty cash certificate may be used.
- The imprest system is the simplest method of managing petty cash.
- Petty cash expenditure should be recorded in a petty cash record.

Trainer's Notes



Time Breakdown

Introduction	5 minutes
Guidelines for handling petty cash	5 minutes
Imprest petty cash system	15 minutes
Activity 9.1: Keeping a petty cash record	15 minutes
Summary of key points	5 minutes
Total	45 minutes



Objectives

Participants should be able to:

- Establish correct procedure for the management of petty cash in a school
- Understand and apply an imprest petty cash system
- Maintain a petty cash record



Materials

Flip chart stand, Flip chart paper, pens. This session requires no additional resources other than copies of the manual for each participant.



Preparation

Facilitators may wish to prepare a copy of the petty cash voucher format on a flip chart paper to ease plenary discussion.

SESSION 10: BANK STATEMENTS AND RECONCILIATION

Men of discernment, first try reconciliation; for the victories of peace suffer no frustration – unknown author

Rationale:

We now turn to the records held by the bank. The reconciliation of the bank statement against the school's cash book is a particularly important step in the financial resource management process. When your records match those of the bank, your books may be said to 'balance'. This is a crucial and necessary step in ensuring your accountability for funds.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Read and interpret a bank statement
- Reconcile a bank statement with the school's own cash book on a monthly basis
- Identify and explain discrepancies between a bank statement and cashbook

Duration: 1 hour 25 minutes

Other Sources of Information:

TDMS Module 3 pages, Unit 3.3, 136-152

Content:

BANK STATEMENTS

A bank statement is a document that shows every transaction on a bank account for a given period of time (normally a month). A bank statement shows the following information:

- The Balance b/d (**brought down**) is the opening balance of the account at the beginning of the month
- The amount of money you hold in the bank
- The abbreviation CR stands for credit and DR stands for debit
- Cash deposited by you or others with your knowledge
- Cash deposited to your account without your knowledge
- Cheques paid into your account without your knowledge
- Cheques which you issued that were exchanged for cash
- Cheques which you issued to make direct payment to a supplier
- Interest earned from money in the account
- Charges made by the bank without your knowledge

For cheques accounts you will normally receive a statement periodically in the post. If you are operating a savings account then you will be issued a book which will be updated when you use it. The savings book will contain the same information for a saving account as a bank statement does for a cheque account. You may request a statement at any time during the month, though there will usually be an additional bank charge for this.

Below is an example of a typical bank statement. It covers the period of one month. It illustrates many of the points listed above. See how many different kinds of transactions you can recognise.

Bank X Mpigi Branch				
Imaginary Primary School				
PO Box 309				
Mpigi				
Account number 987654321		Date: 30/6/05		
Date	Detail	DR	CR	Balance
1/06/05	Balance b/d		60,000	60,000 CR
2/06/05	Cheque No 123	40,000		20,000 CR
13/06/05	Cash Deposit		20,000	40,000 CR
14/06/05	Bank Charges	1,000		39,000 CR
15/06/05	Cheque Deposit		10,000	49,000 CR
20/06/05	Cheque 124	15,000		34,000 CR
25/06/05	Cheque Deposit		22,000	56,000 CR
27/06/05	Cheque Dishonored	10,000		46,000 CR
29/06/05	Cheque 125	15,000		31,000 CR
30/06/05	Balance			31,000 CR

RECONCILIATION

In reconciliation, we carefully compare the bank statement with our cashbook. This important element of financial control must be conducted every month or quarter (depending on the frequency with which bank statements are received). When we compare the bank statement with the cashbook, there will often be differences. These need to be understood and reconciled. If we find information in the Bank Statement or savings book that we didn't know about, this information should be updated in our cashbooks. This will happen, for example, if bank charges have been deducted. We tick items that agree (that is, they appear on both the Bank Statement and in the cash book). After we have done this, we will find some items that are not ticked. These items are the reason why there is a difference between the bank statement and the cashbooks. They will normally fall into one of the following categories:

- **Bank charges**
Banks will take fees for some transactions. When your statement shows that bank charges have been deducted, these must be entered as a payment in your cashbook.
- **Interest**

Many bank accounts pay interest as a percentage of the credit balance. You will only know about this when you receive the statement and it must then be entered as a receipt in your cashbook.

- **Deposits not yet credited to the account**

It is possible that deposits made on the last day of the month will only be reflected on the following month's statement. You will have recorded such transactions in your cashbook but they are not yet reflected in your statement.

- **Unpresented Cheques**

You may have written a cheque in payment for something. However the payee may not yet have banked the cheque. You will have recorded such transactions in your cashbook but they are not yet reflected in your statement.

- **Dishonoured cheques**

When we deposit a cheque we assume that the money will be paid and entered as a receipt in your cashbook. However, if a cheque is dishonoured, we need to show this in the cashbooks. This involves reversing the entry. That means entering a new transaction for the exact amount of the dishonored cheque as a payment. The detail should provide details of the cheque that has been dishonored.

- **Direct deposits**

If a parent makes a direct deposit into the school account, this will appear on the bank statement but not on the receipts cashbook. These must be entered into the cashbook, when you find them. You can then provide the payee with a receipt if they can be identified.

- **Errors**

It often happens that errors are made in recording information, either by yourself or by the bank.

- **Fraud**

It is possible that money has been withdrawn from your account without your approval. This must be investigated and appropriate action taken. The case should be reported to the district auditor immediately.

 **Activity 10.1: Reconciliation (45 minutes)**

Work in pairs. Conduct a Reconciliation between the bank statement for Luwero Town Primary which is illustrated below and the cashbook for the same period found in the Worked Example in Session 8. Focus only on bank transactions (not on the cash purchases made).

1. Compare the closing balance of the bank account in the cashbook with the closing balance of the bank statement. Any difference will need to be reconciled.
2. Check if all the bank transactions recorded in the cashbook are also recorded in the bank statement. This will help you to identify any unpresented cheques. Note any you find.
3. Check to see if all the bank transactions recorded in the bank statement are also recorded in the cashbook. This will normally help you to identify any interest payments or bank charges not recorded in the cashbook. Note any you find.
4. Update the cashbook in the worked example to reflect the 3,000 shillings interest payment found in the bank statement.
5. As you conduct this activity, use the Reconciliation Statement found below the bank statement. A model answer is provided in Appendix A.

Bank X Luwero Branch				
Luwero Town Primary				
PO Box 100m Luwero				
Account Number 12345		Date: 31st March 2005		
Date	Detail	DR	CR	Balance
01/03/05	Balance b/d		50,000	50,000
01/03/05	Cheque Deposit		1,500,000	1,550,000
03/03/05	Cheque 0011	300,000		1,250,000
03/03/05	Cash deposit		31,000	1,281,000
07/03/05	Deposit		150,000	1,431,000
22/03/05	Cheque 0013	100,000		1,331,000
22/03/05	Interest		3,000	1,334,000

RECONCILIATION STATEMENT

After we have checked the Bank Statement against the cashbook, we must draw up a reconciliation statement. This will be done as follows:

RECONCILIATION TEMPLATE	
Of _____ School	as at (Date of month end) _____
A. Total of Bank Receipts from Cashbook (Including opening balance)	= _____
B. Total of Bank Payments from Cashbook	= _____
C. Balance as per Cashbook (C = A – B)	= _____
D. Balance as per Bank Statement (dated _____)	= _____
E. Total Outstanding cheques	= _____
F. Deposits not yet credited to our account	= _____
D-C should equal E-F	

This format can be photocopied and used for reporting purposes. A fresh copy of this format is provided in Appendix B. Each month the Balance as per Cashbook must be reconciled and should match the Balance as per Bank Statement. If this does not happen then you cannot say that your books balance.

FILING AND RECORD KEEPING

Good financial management also requires strong and orderly filing systems, for maintaining clear and organized records will better enable you to effectively manage resources. This will repay you in the long run. Think of all the time you can waste looking for something you have misplaced. Here are a few tips:

- Documents will normally need to be carefully kept in chronological order.
- File according to key words and label them clearly.
- Set aside regular time for filing – at the end of each day or week.

- Do not delegate the task of filing.
- Go through your files regularly and discard documents that you no longer need.
- File the essential documents that you will need to refer to in the future.

SUMMARY OF KEY POINTS

- A bank statement contains the bank's records of transactions on your account.
- The task of comparing cashbook records with a bank statement is reconciliation.
- Your cashbook can be said to balance if any discrepancies between the balance of the cashbook and the bank statement can be explained and accounted for.

Trainer's Notes



Time Breakdown

Introduction	5 minutes
Understanding bank statements	15 minutes
Purpose and process of a Reconciliation	10 minutes
Activity 10.1: Reconciliation	45 minutes
Filing and recordkeeping	5 minutes
Summary of key points	5 minutes
Total	1 hour 25 minutes



Objectives

Participants should be able to:

- Read and understand a bank statement
- Reconcile a bank statement with the school's own cash book on a monthly basis
- State reasons why there may be discrepancies between a bank statement and cashbook



Materials

Flip chart stand, Flip chart paper, pens. This session requires no additional resources other than copies of the manual for each participant.



Preparation

- **Note:** *The calculation activities in this session are demanding. Facilitators should do them for themselves in advance of facilitating the session, in order to build their own confidence.*

SESSION 11: REPORTING REQUIREMENTS

The most sensitive part of a man is not his skin but his wallet – Adolf Hitler



Rationale:

Transparency requires that financial reports are summarized and reported to stakeholders. More importantly, regular financial reporting strengthens effective partnerships at the school and with the community. This session focuses on reporting requirements for schools.



Objectives:

Upon completion of the activities of this session, participants should be able to:

- Maintain a Vote Book in order to monitor expenditure according to budget categories
- Prepare a quarterly and annual financial report for a school
- Present quarterly and annual financial reports to the SMC and stakeholders



Duration: 1 hour 20 minutes



Other Sources of Information: TDMS Module 3, Unit 3.3, pages 153-184



Content:

VOTE BOOK

A Vote Book is a record of expenditure according to budget category maintained to avoid over-expenditure. For example, a school will need to monitor expenditure according to the main budget categories of:

- Instructional/Scholastic Materials
- Co-curricular Activities
- Management of the School
- Administration

Also, if a school has raised funds for a specific project they will need to monitor those funds closely to prevent over-expenditure.

A Vote Book shows:

- (a) How much was approved for a particular budget item
- (b) Each expenditure made under that item
- (c) The balance of money remaining

The following table provides a suggested format for maintaining a Vote Book. As with the cashbook, a new entry is made for every transaction as follows:

- For 'Vote' enter the name of the budget category e.g. 'Co-curricular Activities', or specific budget line that you want to monitor.
- For 'Total Allocated' enter the total amount budgeted under this category

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- ‘Date’, ‘Description of Purchases’ and ‘Amount’ are self-explanatory
- Under ‘Cumulative Expenditure’ maintain a running total of the amount spent on that category to date by adding up each individual entry in the ‘Amount’ column.
- Under ‘Remaining Balance’ maintain a running total of how much of the vote allocated remains. You can do this by subtracting the amount in the ‘Cumulative Expenditure’ column from the ‘Total Allocated’.

Vote: Total Allocated for the Year:				
Date	Description of Purchases	Amount	Cumulative Expenditure	Balance Remaining

Activity 11.1: Vote Book (5 minutes)

Work individually. Imagine that your school has prioritized a feeding programme as part of its SDP and allocated it a budget or ‘vote’ of 300,000/=. Use the format provided to record the following information

- On 13th August 2004, five bags of beans were purchased for 50,000 /=
- On 19th August 2004, two bags of sugar were bought for 10,000/=
- On 27th August 2004, three bags of maize flour were bought for 50,000 /=

How much remains of the budget allocation at the end of August?

OVERVIEW OF FINANCIAL REPORTING

Activity 11.2: Existing Reporting Procedures (20 minutes)

Group discussion.

The purpose of this activity is to identify the existing reporting procedures followed by schools involved in this training. Facilitators will need to know this information before they can guide participants towards improved practice. Discuss the following questions:

1. What do you normally do to show the SMC and PTA how you have received and used school funds?
2. How often do you do it?
3. Are these bodies satisfied with what you do? How do you know?

ANNUAL AND QUARTERLY REPORTING

Head teachers should report to the SMC how a school received and spent funds. This should be done at least quarterly. This report can even be shared with the whole school and its community to further strengthen partnerships, transparency and accountability. The report should be typed and distributed to the SMC members. It should be presented to SMC members at a meeting for formal adoption. It should also be forwarded to the district office. Financial reporting should go hand in hand with reporting on the implementation of the School Improvement Plan (or SDP), as the school budget is linked to those plans.

In the case of the Annual Report it is also good practice to present the report to a general meeting of parents for review. A Financial Report should include the following:

- The budgeted income for the year
- The income actually received
- A summary of all expenditures
- The balance held in cash and in the bank
- The surplus or deficit for the year

You will also need to support your figures with a written description of the reasons which contributed to the situation you are reporting.

Note: A template for financial reporting is found in Appendix B.

This reporting format should be completed quarterly and annually. It must be signed by all signatories and presented to the SMC and to the District Office for auditing purposes. When presenting the report to the SMC this should be considered an opportunity to monitor actual versus planned income and expenditure. It can be used to monitor planned versus actual expenditure for each priority. The controls ensure that funds are spent correctly and that the school and the SMC and community can have confidence that this is so.

BEING FLEXIBLE AND RESPONSIVE

Regular reporting during the course of the year allows you to be flexible and responsive in your management of funds. For example:

- You may identify expenditure items in your budget where actual expenditure is less than your budget. Maybe you were able to negotiate a discount from a supplier. In this case you can reallocate the savings to other priority items within the same expenditure category.
- You may identify items where you have over-spent. In this case you will have to decide where to make compensatory savings or how you will raise additional funds (or use contingency funds).
- You may find that the timing of anticipated income is delayed. Perhaps disbursement of UPE Capitation Grants has been delayed in a district because schools have been late with submitting their accounts. In this case you will have to prioritize which expenditure items will need to be delayed, or develop a plan to raise the necessary funds.

 **Activity 11.3: Preparing a financial report (20 minutes)**

Work individually. The purpose of this activity is to provide participants with practice in preparing a quarterly financial report based on a cashbook.

- Use the Model answer for the cashbook of St James School found in Appendix A to generate a financial report for the second quarter of 2005 using the format provided.
- Assume that the amount received of 2,800,000 was as per the school's budget.
- Compare your answer with the model answer found in Appendix A.

FINANCIAL REPORT FORMAT

For the period from _____ **to** _____
Name of Bank Account: _____ **Name of Bank:** _____
Number of Bank Account: _____ **Type of bank account: Savings**

		Amount
Budgeted Income	UPE School Capitation Grant	
	Other	
	TOTAL	
Income Received	Balance b/d	
	UPE School Capitation Grant	
	Other	
	TOTAL INCOME RECEIVED	
Expenditure	Scholastic Materials	
	Co-Curricular Activities	
	Management	
	Administration	
	Other	
	TOTAL EXPENDITURE	
BALANCES		
	Balance b/d + Income - Expenditure	
	Cash at hand	
	Money in the bank	
	Money in petty cash	
	Total Funds available	
AUTHORISED SIGNATORIES ON BANK ACCOUNT:	1. Name	Signature
	2.	Signature
	3.	Signature
SMC chair validating financial report	Name	Signature
On behalf of DEO	Name	Signature

SUMMARY OF KEY POINTS

- Regular financial reporting is essential for the sake of both transparency and accountability.
- Financial reports can be used as a tool to keep the school's money working as hard as possible in the service of quality education at your school.
- Good financial management means maximizing the efficiency with which financial resources are utilized by the school.

Trainer's Notes



Time Breakdown

Introduction	5 minutes
Presentation of Vote Book and Activity 11.1	10 minutes
Activity 11.2: Existing reporting procedures	20 minutes
Quarterly and annual reporting procedures	15 minutes
Activity 11.3: Preparing a financial report	20 minutes
Analysis of financial reports	10 minutes
Total	1 hour 20 minutes



Objectives

Participants should be able to:

- Maintain a Vote Book
- Prepare a quarterly and annual financial report for a school
- Present it to the SMC and stakeholders



Materials

Flip chart stand, Flip chart paper, pens. You will also need one copy per participant of the financial reporting format found in this section.



Preparation

You will need to make one photocopy per participant of the financial reporting format found in this section.

SESSION 12: DRAFTING SCHOOL FINANCE PROCEDURES AND MOVING FORWARD

Rwot loyo ki bul (Luo) - Even though I am not a Royalty, hence without a Royal Drum, I am capable of great achievements

Rationale:

This session consolidates the skills from the previous sessions and trains participants in drafting School Finance Procedures for their schools. They are expected to share and finalize these draft procedures with the SMC and other members of the school community. The session also provides participants with an opportunity to review and revise their Professional Development Plan.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Conduct a self-assessment of existing finance systems
- Outline the content of school finance procedures
- Draft school finance procedures using the structure provided
- Review and revise their Professional Development Plan

 Duration: 2 hours 30 minutes

Content:

INTRODUCTION

During the course of the training you will probably have identified several procedures or systems that could be introduced or strengthened in your school. This session provides advice on developing documented, financial procedures, which must be agreed upon by the SMC and should be used to guide future practice. These procedures arrived at through consensus will also strengthen accountability and transparency in your school.

Activity 12.1: Self-Assessment of Financial Systems (45 minutes)

Work individually. This activity will help you to evaluate the existing situation in your school. It will also help you revise the definition and purpose of the various financial management systems dealt with in this module

1. Fill in the Self-assessment tool below as honestly as possible. Remember you will not be marked on your answers!
2. Note your two greatest areas of strength and the two areas where you need to improve.
3. Now test your knowledge!: Choose the correct definition for each item from the list below and insert the corresponding letter in the 'Definition' column.

You will be asked in plenary later to share your areas of strength and those areas you would like to improve in Activity 12.3.

Do you keep the following and is it up-to-date?						Definition
1. An approved annual budget	Yes	No				
2. A receipt book	Yes	No				
3. Deposit slips for all money deposited in your account	Yes	No				
4. Payment vouchers	Yes	No				
5. Local purchase orders (if applicable)	Yes	No				
6. Petty cash vouchers	Yes	No				
7. Delivery notes	Yes	No				
8. Purchase receipts	Yes	No				
9. Withdrawal forms for each bank withdrawal	Yes	No				
10. A cash book	Yes	No				
11. A petty cash record	Yes	No				
12. A vote book	Yes	No				
13. Files of all bank statements	Yes	No				
14. Monthly bank reconciliations	Yes	No				
15. Approved quarterly and annual financial reports	Yes	No				

Definitions

- a) A document required by the bank to authorise withdrawals from your bank account
- b) A list of all the property owned by a school
- c) A document that explains any discrepancies between the balance stated in the cashbook and the balance stated in the bank statement
- d) A document signed as evidence that goods have been delivered to the school
- e) A report that summarises all income and expenditure for a given period of time for presentation to stakeholders
- f) A document as evidence that money has been deposited into an account by the bank
- g) A document signed by the SMC to authorise a payment
- h) A document authorising the withdrawal of petty cash from the petty cash tin
- i) A record provided the bank of transactions on your account in a given period of time
- j) A detailed plan for income and expenditure for a given period of time – usually a year
- k) A document requesting delivery of goods to a school in advance of payment
- l) A book from which you can issue receipts every time a school receives money
- m) A record of expenditure by budget category, aimed at ensuring that budget allocations are controlled and not overspent
- n) A record of every cash transaction undertaken with petty cash
- o) A comprehensive and regularly updated record of every financial transaction undertaken by a school
- p) Documentary evidence of a purchase provided to the buyer by the seller

DRAFTING SCHOOL FINANCE PROCEDURES

School finance procedures state how school leaders will conduct their responsibilities. This will ensure that standardised procedures for good financial management are applied to all financial affairs. It will help a school to achieve new levels of accountability and transparency and build trust with its community.

A Financial Procedures Template is found in Appendix B as  Handout B. The template has the following subheadings, which are related to the sessions of this module as follows:

- Partnership, ethics and principles in Financial Management (Session 2)
- Budgeting (Session 5)
- Fundraising (Session 4)
- Receipt of Money (Session 6)
- Depositing Money (Session 6)
- Making Payments (Session 7)
- Maintaining a Cashbook (Session 8)
- Managing Petty Cash (Session 9)
- Maintaining an Vote book (Session 11)
- Financial Reporting (Session 11)

The template can help you revise the content of this module. In each section, content has already been entered which describes standard procedures that should be in place in every school. There is additional space for you to add details of any local arrangements that apply at your school.



Activity 12.2: Drafting School Finance Procedures (1 hour)

Work with colleagues from your school.

This Activity is designed to help you revise the overall content of the module and prepare you to return to your school to document and finalise your financial procedures with other school and community stakeholders.

1. Read through the Financial Procedures Template ( Handout B found in Appendix B).
2. In each section, add any best practice policies and procedures which you currently use locally in your school or which you think will help to localise the procedures.
3. If time allows you will be lead in a plenary discussion of the draft document, focusing on what participants propose to add in order to localise the content.

BEFORE THE NEXT WORKSHOP!

Workshop participants are expected to implement the skills developed through this training and to be role models for the values and ethics discussed herein. Head teachers and deputies should meet with the SMC and other school community stakeholders to finalise the School Financial Procedures. The SMC should then adopt the document by resolution at a meeting and the document should be shared widely with the school and its community. The document provides *transparent* guidelines for financial management which the SMC and other stakeholders can use to hold *accountable* those who are responsible. *District education staff and CCTs should plan with participants how they will support the adoption of these guidelines in schools and by the SMC.*

REVIEWING YOUR PROFESSIONAL DEVELOPMENT PLAN

As this series of training modules is designed to foster and support your professional growth as an education manager, you should take the time to reflect on the Professional Development Plan you developed in Module 1 and revised in Module 2.

Activity 12.3 – Reviewing Your Professional Development Plan (35 minutes)

Take 20 minutes to review your Professional Development Plan, modifying it as necessary to reflect the skills and activities you plan to employ and undertake upon returning to your post. You may want to fill out a new plan, a copy of which is found in Appendix B as  Handout C. Share some aspects of your plan with your neighbour.

SUMMARY OF KEY POINTS

- The drafting and adoption of ‘School Financial Procedures’ clearly documents guidelines for use within the school.
- This process helps make financial management procedures *transparent* to all stakeholders.
- ‘School Financial Procedures’ should be used to hold financial managers accountable for their handling of school finances.

Trainer's Notes

Time Breakdown

Introduction	5 minutes
Activity 12.1: Self-assessment of financial systems	45 minutes
Activity 12.2: Drafting school financial procedures	1 hour
Activity 12.3: Revisiting your Professional Development Plan	35 minutes
Conclusion	5 minutes
Total	2 hours 30 minutes

Objectives

Participants should be able to:

- Conduct a self-assessment of school finance systems
- Outline the content of school finance procedures
- Draft school finance procedures using the structure provided
- Review and revise their Professional Development Plan



Materials

Flip chart stand, Flip chart paper, pens. You will need one copy per participant of the School Financial Procedures template (👉 Handout B) and The Professional Development Plan (👉 Handout C) in Appendix B.



Preparation

It might be advisable for the facilitator to prepare a flipchart paper of the self-assessment checklist for the plenary discussion.



Procedure

1. Introduce the session with reference to the 'Rationale' and the objectives. Emphasize that by adopting the School Financial Procedures, schools can consolidate and institutionalize the learning from this module.
2. Ask participants to do Activity 12.1 'Self-assessment of financial systems'.
3. Circulate amongst the participants while they are doing the activity in order to ascertain information regarding areas of concern that remain which might be addressed during the conclusion.
4. Explain the nature and purpose of documenting School Financial Procedures.
5. Ask participants to do Activity 12.2- 'Drafting school financial procedures' using 👉 Handout B.
6. Clarify to participants that after the workshop they should further develop their procedures in collaboration with their SMCs for final adoption by resolution by the SMC. Use the section "Before the Next Workshop!"
7. Ask participants to do Activity 12.3- 'Revisiting your Professional Development Plans.' Using 👉 Handout C, they should work individually and reflect on what they have learned in the workshop, areas of strength they feel they have and areas in need of improvement. Circulate amongst participants to answer any questions. After 20 minutes, conduct a plenary discussion asking participants to share either areas of strength and weakness from the Self-assessment of financial systems or areas of strength and weakness and commitments to action from their revised Professional Development Plans. You may want to write their contributions on a flip chart.
8. Conclude the session using the Summary of Key Points, asking participants to share anything else they have learned in the session.

SESSION 13: CONCLUSION AND EVALUATION

Rationale:

This session invites participants to reflect upon the activities and outcomes of their work with this module, and to offer feedback to the training team.

Objectives:

Upon completion of the activities of this session, participants should be able to:

- Assess whether their expectations for the workshop were met
- Assess whether the workshop objectives were met

Duration: 40 minutes

Content:

In this final session participants are asked to reflect on their experiences in the workshop. It should also be used to remind participants that: “Knowledge is power,” but knowledge is only useful if it is shared with others and put into practice. Participants should be encouraged to take action once they return to their workstations in order to improve education quality for the good of the country. (Organizers may want to add time to this session and use it to formally close the workshop.)

REFLECTION ON THE OUTCOMES OF THE WORKSHOP

Activity 13.1 – Were Objectives and Expectations Met? (10 minutes)

Work in groups of five or six participants. Review the lists of ‘participant expectations’ and ‘workshop objectives’ that were introduced in the first session on the first day.

- To what extent were your own personal expectations of the workshop met? Comment mainly on those areas where your expectations were different from what actually happened
- To what extent do you think that the workshop succeeded in meeting its objectives?

Spend about 10 minutes discussing these questions.

Before distributing the workshop evaluation form to participants, the trainer should open the floor for closing remarks.

Activity 13.2 – Workshop Evaluation (20 minutes)

Working individually, spend 20 minutes completing the evaluation form. Upon completion of the evaluation form, if time allows, the trainer will lead a plenary discussion as a means of further sharing thoughts and observations regarding the workshop.

Trainer's Notes

Time Breakdown

Introduction	5 minutes
Activity 13.1 -Were Objectives and Expectations Met?	10 minutes
Closing Remarks	5 minutes
Activity 13.2 - Workshop Evaluation	20 minutes
Plenary Discussion (time permitting)	
Total	40 minutes

Objectives

Participants should be able to:

- Assess whether their expectations were met
- Assess whether the workshop objectives were met

Materials

Flip chart stand, Flip chart paper, pens, adhesive.

Preparation

Photocopy enough copies of the evaluation form for each participant; be sure to use the appropriate evaluation form for your group of participants.

Procedure

1. Introduce the session using the *Content* section. Emphasize the need to link *knowledge to action* when participants return to their institutions. Return to the concepts of *accountability* and *transparency*. Reflect with the participants on how the systems described in this manual will assist in developing these principles in the school. Challenge participants to implement the skills that they learnt in this training. Set the expectation that participants will draft their 'School Financial Procedures' and have them adopted by the SMC. For schools participating in the UPHOLD programme this will be a focus of follow-up work.
2. Ask participants to do Activity 13.1 - Were Objectives and Expectations met? Refer participants back to the chart paper containing their expectations, which was prepared at the start of the first day. Refer them

**GLOSSARY AND
MODEL ANSWERS**

GLOSSARY

Approved Annual Budget- A detailed plan for income and expenditure for a given period of time – usually a year.

Bank Statement- A record provided the bank of transactions on your account in a given period of time.

Budget- A plan of expenditure and income for a given period of time.

Cashbook- A comprehensive and regularly updated record of every financial transaction undertaken by a school.

Delivery Note- A document signed as evidence that goods have been delivered to the school.

Deposit Slip- A document as evidence that money has been deposited into an account by the bank.

Financial Report- A report that summarises all income and expenditure for a given period of time for presentation to stakeholders.

Imprest- A method of keeping petty cash by means of which a certain sum of money is retained for petty cash expenditure. At the end of the month or other period a cheque is drawn for the exact sum spent so that the imprest, i.e. the original amount, is replenished.

Inventory- A list of all the property owned by a school

Payment Voucher- A document signed by the SMC to authorise a payment.

Petty Cash Voucher-A document authorising the withdrawal of petty cash from the petty cash tin.

Petty Cash Record- A record of every cash transaction undertaken with petty cash.

Purchase Receipt- Documentary evidence of a purchase provided to the buyer by the seller.

Local Purchase Order- A document requesting delivery of goods to a school in advance of payment.

Receipt Book- A book from which you can issue receipts every time a school receives money.

Reconciliation Statement- A document that explains any discrepancies between the balance stated in the cashbook and the balance stated in the bank statement.

Vote Book- A record of expenditure by budget category, aimed at ensuring that budget allocations are controlled and not overspent.

Withdrawal Form- A document required by the bank to authorise withdrawals from your bank account.

APPENDIX A

SESSION 5 (ACTIVITY 5.2)

**KATWE SCHOOL ANNUAL BUDGET
YEAR _____**

Expected Income

Capitation grant: (Enrolment x 4244Shs) + 900,000 Shs =
(803 x 4,244Shs) + 900,000Shs = 4,307,932Shs

Balance Brought Forward 512,117Shs **Total Expected income 4,820,049 Shs**

Allocation by Expenditure Category

1. Scholastic Materials	35%	1,687,017
2. Co-curricular Activities	30%	1,446,015
3. Management	15%	723,007
4. Administration	10%	482,005
5. Contingency	10%	482,005
Total	100%	4,820,049

Expenditure

Instructional Materials

Line	Item	Quantity	Rate	Amount
1.1	Prep books	96	3,000	288,000
1.2	Pens	7 packets	10,000	70,000
1.3	Chalk	3 cartons	45,000	135,000
1.4	Markers	8 packets	8,000	64,000
1.5	Teaching Aids			
1.5.1	Map of Uganda	1	10,000	10,000
1.5.2	Science posters	4	10,000	40,000
1.6	Colored Chalk	3 boxes	3,000	9,000
1.7	Exams			
1.7.1	Duplication of P.7 Monthly Exams	5250 pages	50	262,500
1.7.2	P.7 Mock Exams	4150 pages	50	207,500
1.7.3	P1-6 End of Term Exams (original)	80 pages	50	40,000
1.7.4	P1-6 End of Year Exams	14,600 pages	50	730,000
1.8	Reference Books			
1.8.1	P5-P7 English grammar	3 copies	5,000	15,000
1.8.2	Monitor English Book1	3 copies	3,500	10,500
1.8.3	Monitor English Book 2	1 copy	4,500	4,500
1.8.4	SST Revision Note Book	1 copy	15,000	15,000
1.8.5	Bible	1 copy	15,000	15,000
1.9	Furniture Repair (as per agreed quotation for mending desks)			33,417
Sub Total				1,687,017

Co-curricular Activities

Line	Item	Quantity	Rate	Amount
2.1	Equipment			
2.1.1	Athletics field equipment			153,500
2.1.2	Footballs	2	50,000	100,000
2.1.3	Netballs	2	50,000	100,000
2.1.4	Volleyball	1	50,000	50,000
2.2	Uniforms			
2.2.1	Boys t-shirts	13	5,000	65,000
2.2.2	Boys shorts	13	2,500	32,500
2.2.3	Girls skirt & blouse	2 rolls (14)	60,000	120,000
2.2.4	Labour (tailor)			28,000
2.3	Music, Dance & Drama			

APPENDIX A

Line	Item	Quantity	Rate	Amount
2.3.1	Music Workshop	2 teachers	25,000	50,000
2.3.2	Instruments			107,000
2.3.3	Resource person (drumming coach)	5 months	40,000	200,000
2.3.4	Feeding children at competitions	2 competitions	50,000	100,000
2.3.5	Transport (Hire of coaster to Kampala)	2 journeys	65,000	130,000
2.3.6	Costumes for choir	5	10,000	50,000
2.4	Clubs			
2.4.1	Scouting manual	1	30,015	30,015
2.4.2	Science material for building solar oven	1	30,000	30,000
	Sub-Total			1,446,015

Management

Line	Item	Quantity	Rate	Amount
3.1	Record Books	1	5,000	5,000
3.2	Wall Clocks	7	8,000	56,000
3.3	Stapler	1	5,000	5,000
3.4	Staples	1 packet	10,000	10,000
3.5	Files	38	5,000	19,000
3.6	Manila Cards	300	300	90,000
3.7	Office Stationery			
3.7.1	School letter head	100	200	20,000
3.7.2	Renewal of school Stamp	1	30,524	30,524
3.8	Ruled paper	1 ream	8,000	8,000
3.9	Duplicating paper	3 reams	7,000	21,000
3.10	Glue	1	7,000	7,000
3.11	White Wash	3	1,200	3,600
3.12	Masking Tape	2	5,000	10,000
3.13	Cello tape	1	5,000	5,000
3.14	Clips	1 packet	2,000	2,000
3.15	Desk Diary	1	13,000	13,000
3.16	Envelopes	1 packet	2,500	2,500
3.17	Hoes	24	4,000	96,000
3.18	Slashers	50	3,000	150,000
3.19	Pangas	2	3,000	6,000
3.20	First Aid Box	1	30,383	30,383
3.21	Workshops and Meetings			
3.21.1	Refreshments for SMC at meetings	5 meeting	15,000	75,000
3.21.2	Refreshments for resource persons at staff workshops	4 meetings	14,500	58,000
	Sub Total			723,007

Administration

Line	Item	Quantity	Rate	Amount
4.1	Transport			137,600
	To coordinating centre	32 journeys	550	17,600
	To district office	30 journeys	4000	120,000
4.2	Bank Charges	12 months	2,000	24,000
4.3	Emergencies (sufficient for 2 x special to hospital)	2	40,000 (add 405/= to balance budget)	80,405
4.4	Night Watchman	12 months	20,000	240,000
	Sub Total			482,005

Contingency = 482,005

Grand Total 4,820,049

Approved at SMC meeting _____ Date) _____
 Signed Head teacher _____ SMC Treasurer _____
 SMC Chairperson _____ DEO _____

APPENDIX A

SESSION 6 (ACTIVITY 6.2)

Bank X
Account Deposit

Date 30th November 2005
 Name Nile School
 Branch Masindi

Account No.

1	2	3	4	5	6	8	9	0
---	---	---	---	---	---	---	---	---

Type of Account Cheque Saving Loan Deposit

	No. Deposited	Amount
Notes		
50,000s		
20,000s		
10,000s	3	30,000
5,000s	4	20,000
1,000s	10	10,000
Coins		
500s	3	1,500
200s	4	800
100s	10	1,000
50s	12	600
Sub Total Cash		63,900

Amount in words: Sixty Three Thousand, Nine hundred

Depositor's name: Mrs. Head teacher
 Contact Number 077 1234567

Tellers stamp and signature	Depositor's signature
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APPENDIX A

SESSION 8 (MODEL ANSWER FOR ACTIVITY 8.1)

St James School Cashbook

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	Nb	Received From	Detail	Received as Cash	Received at the Bank	Date	Nb	Paid to	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
B/D					0	0											0	0
1	18/03/05		Tororo District Office	UPE Capitation Grant		2,800,000											0	2,800,000
2	2/4/05		Stanbic Bank	cash withdrawal	170,000		2/4/05		Cash paid to head teacher			170,000					170,000	2,630,000
3							2/4/05		Tororo Stationers	Ball pen, rulers, marker pens, newsprint	170,000		170,000				0	2,630,000
4	02/05/05		Stanbic Bank	cash withdrawal	200,000		02/05/05		Cash	cash to HT for equipment		200,000					200,000	2,430,000
5							03/5/05		Sportsworld Ltd	Baseball bat and football	55,000			55,000			145,000	2,430,000
6							03/5/05		Supersport	Netting for goalposts	20,000			20,000			125,000	2,430,000
7							03/05/05		Tororo Hardware	Wood for goalposts	80,000			80,000			45,000	2,430,000
8							07/05/05		Mr. Etyang	Workmanship on goalposts	40,000			40,000			5,000	2,430,000
9	02/05/05		Stanbic bank	Interest		35,000											5,000	2,465,000

APPENDIX A

SESSION 8 (MODEL ANSWER FOR ACTIVITY 8.2)

Nile School Cashbook

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	Nb	Received From	Detail	Received as Cash	Received at the Bank	Date	Nb	Paid to	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
B/D					0	0											0	0
1	02/06/05		Masindi District	UPE Grant		2,800,000											0	2,800,000
2	03/06/05		Bank	Cash	200,000		03/06/05		Cash	cash withdrawal for purchase		200,000					200,000	2,600,000
3							01/06/05		Aristoc Bookstore	Stationery supplies	194,000		194,000				6,000	2,600,000
4	05/06/05		Bank	Cash	200,000		06/06/05		Cash	cash withdrawal for purchase		200,000					206,000	2,400,000
5							06/06/05		Esther's Stationers	Stationery supplies	108,000		108,000				98,000	2,400,000
6	13/06/05		Bank	Cash	100,000		13/06/05		Cash	Cash withdrawal for purchase		100,000					198,000	2,300,000
7							13/06/05		Masindi Post office	Postage for package	30,000					30,000	168,000	2,300,000
8							14/06/05		Masindi Post office	Stamps	10,000					10,000	158,000	2,300,000
9							14/06/05		Masindi Photo Studio	Film	40,000		40,000				118,000	2,300,000
10							14/06/05		Esther's Stationers	Postcards	15,000		15,000				103,000	2,300,000
11	15/06/05		Head teacher	Cash deposit		103,000	15/06/05		Bank	Cash deposit	103,000						0	2,403,000
12	30/06/05		Bank	Interest		45,000											0	2,448,000

SESSION 10 (MODEL ANSWER FOR ACTIVITY 10.1)

**Luwero Town School
Reconciliation Statement
As at 31st March 2005**

- A. Total Bank Receipts in cash book = 1,734,000
(Including opening balance)
- B. Total Bank Payments in cash book = 650,000
- C. Balance as per Bank Cashbook (C = A – B) = 1,084,000
- D. Balance as per Bank Statement (dated 31/3/2005) = 1,334,000
- E. Total Outstanding cheques = 250,000
- F. Deposits not yet credited to our account = 0

D-C should equal E-F

Note: The balance as per cash book should be updated to reflect the 3,000 of interest paid on 22/3/05 before completing the reconciliation template. This figure is included in the total bank receipts for this model answer

APPENDIX A

SESSION 11 (MODEL ANSWER FOR ACTIVITY 11.3)

ST. JAMES SCHOOL FINANCIAL REPORT

For the period from March 2005 to June 2005

Name of Bank Account: Name of Bank:

Number of Bank Account: Type of bank account: Savings

		Amount
Budgeted Income	UPE School Capitation Grant	2,800,000
	Other	
	TOTAL	2,800,000
Income Received	Balance b/d	0
	UPE School Capitation Grant	2,800,000
	Other	35,000
	TOTAL INCOME RECEIVED	2,835,000
Expenditure	Scholastic Materials	170,000
	Co-Curricular Activities	195,000
	Management	0
	Administration	0
	Other	0
	TOTAL EXPENDITURE	365,000
BALANCES		
	Balance b/d + Income – Expenditure	2,470,000
	Cash at hand	5,000
	Money in the bank	2,465,000
	Money in petty cash	
	Total Funds available	2,470,000
AUTHORISED SIGNATORIES ON BANK ACCOUNT:	1.Name	Signature
	2.	Signature
	3.	Signature
SMC chair validating financial report	Name	Signature
On behalf of DEO	Name	Signature

SESSION 12 (ACTIVITY 12.1)

Definitions

- a) A document required by the bank to authorise withdrawals from your bank account—**Withdrawal Form**
- b) A list of all the property owned by a school--**Inventory**
- c) A document that explains any discrepancies between the balance stated in the cashbook and the balance stated in the bank statement—**Reconciliation Statement**
- d) A document signed as evidence that goods have been delivered to the school—**Delivery Note**
- e) A report that summarises all income and expenditure for a given period of time for presentation to stakeholders—**Financial Report**
- f) A document as evidence that money has been deposited into an account by the bank—**Deposit Slip**
- g) A document signed by the SMC to authorise a payment—**Payment Voucher**
- h) A document authorising the withdrawal of petty cash from the petty cash tin—**Petty Cash Voucher**
- i) A record provided the bank of transactions on your account in a given period of time—**Bank Statement**
- j) A detailed plan for income and expenditure for a given period of time – usually a year—**Approved Annual Budget**
- k) A document requesting delivery of goods to a school in advance of payment—**Local Purchase Order**
- l) A book from which you can issue receipts every time a school receives money—**Receipt Book**
- m) A record of expenditure by budget category, aimed at ensuring that budget allocations are controlled and not overspent—**Vote Book**
- n) A record of every cash transaction undertaken with petty cash—**Petty Cash Record**
- o) A comprehensive and regularly updated record of every financial transaction undertaken by a school--**Cashbook**
- p) Documentary evidence of a purchase provided to the buyer by the seller—**Purchase Receipt**

**HANDOUTS AND
PHOTOCOPIABLE RESOURCES**

Notes on Opening a Bank Account

INTRODUCTION

The MOES requires that all schools open a bank account in order to receive UPE funds. Some sponsors may insist that a separate savings account must be opened to receive funds. This is quite a complicated process!

TYPES OF ACCOUNT

There are two main types of account that are available for schools to open:

1. A Current Account

This has the following characteristics:

- This type of account provides a school with a cheque book that can be used to make payments and withdrawals.
- The bank will issue the account holder with periodic written bank statements listing all transactions.
- Some current accounts may pay interest.
- If current account is left unused for more than a given period of time (normally six months) then it may become inactive or 'dormant'.

2. A Savings Account

This has the following characteristics

- The account holders are issued with a 'pass book', which must be used to withdraw or pay in cash to the bank.
- No cheque book is issued on this kind of account. This means that payments from this account must be made by cash withdrawal.
- Savings Account pay interest
- Most current accounts do not incur bank charges. They are therefore more suitable for managing smaller amounts of money.

Documentary Requirements for Opening Accounts

To open an account you will need to assemble quite a lot of accompanying documentation. This may vary from one bank to another so it is essential that you check requirement in advance.

The list will normally include the following items. This list is based on the assumption that your signatories will be: the county inspector, the head teacher, the SMC chairperson and the SMC treasurer.

The bank will require the following:

- Two photographs of the county inspector (signed on the back)
- Two photographs of the head teacher (signed on the back)
- Two photographs of the chairperson of the SMC (signed on the back)
- Two photographs of the treasurer of the SMC (signed on the back)
- Two photographs of any other signatories (signed on the back)
- A completed Application Bank form
- A copy of a minute from an SMC meeting which states declares your intention to open the account as follows. The exact required wording is written in italics.

APPENDIX B

- Type of account: *Savings*
- Name of account and branch: *Stanbic Bank*
- Signatories: *Name of County Inspector as principal signatory, Name of Head teacher, Name of Chair of SMC.*
- Mandate for the signatories: *Two of the three including the principal signatory/ All of the three signatories*
- Specify the principal signatory: *The County Inspector's Name.*
- An opening balance of 10,000 /= in cash.
- An introductory letter from the DEO's office.
- Two letters of reference from Stanbic bank account holders.

Please remember

If a head teacher or treasurer is transferred, signatories need to be changed immediately.

APPENDIX B

 HANDOUT A (for Activity 8.1 & 8.2)

UPE Capitation Grant Cashbook

Trans. #	Receipts (funds received)						Payments made						Expenditure Category				Balances	
	Date	No	Received From	Detail	Received as Cash	Received at the Bank	Date	No	Paid to	Detail	Paid as Cash	Paid via Bank	Instructional / Scholastic Materials	Co-curricular Activities	Management	Admin	Balance in Cash	Balance in Bank
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
13																		
14																		

APPENDIX B

PETTY CASH VOUCHER	
_____ School	Date _____
Detail of Items to be Purchased	Amount in Shs.
Total	
Charge Account	
Approved By (sign)	
Received By (sign)	

PETTY CASH CERTIFICATE			
School Stamp		Certificate Number	
Certificate in Support of Petty Cash Payment			
I hereby certify that the following goods/services were paid for from school fund petty cash, that no receipt or other documentary proof is available and that the expenditure was necessary and incurred for school purposes.			
Date	To Whom Paid	Details of Services or goods	Amount Paid
Signature of Head teacher		Date	

APPENDIX B

RECONCILIATION TEMPLATE

Of _____ School	as at (Date of month end) _____
A. Total of Bank Receipts from Cashbook (Including opening balance)	= _____
B. Total of Bank Payments from Cashbook	= _____
C. Balance as per Cashbook (C = A – B)	= _____
D. Balance as per Bank Statement (dated _____)	= _____
E. Total Outstanding cheques	= _____
F. Deposits not yet credited to our account	= _____
D-C should equal E-F	

APPENDIX B

FINANCIAL REPORT FORMAT

For the period from to

Name of Bank Account: Name of Bank:

Number of Bank Account: Type of bank account: Savings

		Amount
Budgeted Income	UPE School Capitation Grant	
	Other	
	TOTAL	
Income Received	Balance b/d	
	UPE School Capitation Grant	
	Other	
	TOTAL INCOME RECEIVED	
Expenditure	Scholastic Materials	
	Co-Curricular Activities	
	Management	
	Administration	
	Other	
	TOTAL EXPENDITURE	
BALANCES		
	Balance b/d + Income – Expenditure	
	<u>Cash at hand</u>	
	Money in the bank	
	Money in petty cash	
	Total Funds available	
AUTHORISED SIGNATORIES ON BANK ACCOUNT:	1.Name	Signature
	2.	Signature
	3.	Signature
SMC chair validating financial report	Name	Signature
On behalf of DEO	Name	Signature

 HANDOUT B (for Session 12)

School Financial Procedures

School

School Stamp

Date of Adoption by SMC _____ **Signed** _____

Date of Verification by District **Signed** _____

1. PRINCIPLES

In terms of the UPE handbook the Head teacher has responsibility for accounting for all money and property of the school. The School Management Committees have the following financial responsibilities:

- a. Approving the school budget annually
- b. Monitoring the finances of the school to ensure that resources are used for the maximum benefit of pupils learning
- c. Validating that monthly expenditure conforms to the budget and the emerging needs of the school programme
- d. Ensuring that funds received by the school (Fees Capitations, Grants, income generating activities, LGDP grants, gifts etc.) are publicly displayed every month.
- e. Ensuring that expenditure of the school is publicly displayed every month
- f. Carrying out public fundraising functions such as charity walks, open days and public appeals etc..
- g. Reporting regularly on the financial and operation al status of the school programme to parents and community leaders.

These procedures aim to provide all the necessary guidelines for the effective execution of these functions.

2. BUDGETING

- a. The annual budget should be drafted by the SMC or (a) Person/s duly authorized to do so by the SMC.
- b. Any budget must be approved by the Head teacher, SMC Chairperson, Treasurer and DEO before it can be implemented.
- c. This should be presented at the Annual General Meeting, for adoption and approval by the Parents.
- d. This meeting shall be held between _____ and _____ every year.
- e. There shall be a clear link between the Mission statement and School Improvement Plan and the budget of the school. All activities of the school must be related to one or more of the goals of the Mission statement.
- f. The budget shall only be drawn once the goals of the school for the year have been identified

APPENDIX B

- g. All interested parties, especially parents of learners enrolled at the school, must be allowed to discuss and even suggest changes to the budget of the school.
- h. The responsibility of budgetary control rests with the SMC. On a day-to-day basis this responsibility rests with the Head teacher and Treasurer
- i. The budget shall be drafted in line with departmental policies.
- j. The school will make provision within the budget for the reimbursement of travel expenses of
 - (a) the following persons, under (b) the following circumstances and at (c) the following rates

Additional Points

- k. The school will make provision within the budget for the reimbursement of catering expenses
 - (a) of the following persons, (b) under the following circumstances and (c) at the following rates

Additional Points

3. FUNDRAISING

- a. The school will adopt the following strategies to maximize revenue raised by local fundraising.

- b. Fundraising activities will be managed as follows (designate responsibilities)

c. Community participation in fundraising will be maximized as follows

4. RECEIPT OF MONEY

- a. A receipt should be issued for any amount of money received.
- b. Only one person will be assigned to receive money on behalf of the school. He or she shall be appointed by the SMC and is referred to hereafter as the Treasurer.
- c. Money received by the school must be paid into the school account within ____ days/ hours.
- d. The Treasurer will be issued with a cash book
- e. The duties of the Treasurer will include the control and recording on a daily basis of income and expenditure
- f. All income should be recorded daily in the receipt cashbook, and expenses in the payment cashbook.
- g. Receipts are issued in numerical order.
- h. The original is given to the payer and the duplicate/carbon paper is retained.
- i. The details are to be completed in blue/black ink with a clear handwriting.
- j. Receipts should have the following details on them:
 - Full names of the payer
 - The date on which payment is being made
 - The amount to be written in words and figures
 - The reason for the payment to be stated e.g. trip, sports fees
 - The nature of the payment e.g. cash/cheque
 - Name and signature of the recipient
 - School stamp
- k. No alterations should be made on any receipt. If a mistake is made it should be cancelled by writing the word “CANCELLED” across the original receipt and duplicate.
- l. In the case of a post-dated cheque, a receipt should only be made out when the amount can be accessed. Such cheques must be stored in a safe place until they are deposited into the school account.
- m. The receipt book should be ruled off in Red ink at the point when the money is deposited. The date, series of receipts numbers and amount being banked should be clearly indicated.

Additional Points

5. DEPOSITING OF MONEY

- a. Deposit slips should be properly completed and the amount should be balanced with that on the cashbook.
- b. The Head teacher or Treasurer is responsible for depositing all the money.
- c. Arrangements for depositing money must be varied to reduce the risk of loss by robbery.
- d. Arrangements should be made to obtain Bank statements on the last day of each calendar month. The cashbook and the bank statement should be reconciled on a monthly basis.

Additional Points

6. MAKING PAYMENTS

- a. There must be three signatories to the account and at least ____ must sign at one time.
- b. No cash received may be used for payments before being deposited. A frequent problem that occurs when cash that is collected by a school is then used immediately as petty cash without first being banked. This must never happen, as all moneys received must also be reflected on the bank statement.
- c. Signatories must check all supporting documents before approving any voucher for payment of goods and services.
- d. Tenders or at least three quotations must be called for in a case of any expenditure over _____ / = before any purchase is made.
- e. If a person approving a payment or tender decision has a personal or family relationship to the person or company receiving payment, then this relationship should be declared and the person should excuse themselves from the decision making process.
- f. The SMC must approve all tenders or quotations.
- g. Whenever money is withdrawn from the bank the persons making the withdrawal are responsible for presenting a copy of the withdrawal slip and a corresponding amount in cash or receipts to the Treasurer on the same day.
- h. All payments should be immediately recorded in the cash book.
- i. All payment vouchers, cheque requisitions, bank statements, and paid cheques should be properly filed for audit and reference purposes.
- j. Only the authorized signatories can make withdrawals, and with the approval of the SMC
- k. Before cash can be withdrawn to make a payment, the person requesting the cheque must complete a voucher form.
- l. Before signing approval, the Treasurer should check the following:
 - Is the expenditure justifiable in terms of the School Improvement Plan and School budget?
 - Is the amount reasonable and within the budget?
 - Does the invoice match the quotations?
 - Is the invoice calculated correctly?
 - Are all the necessary supporting documents attached?
 - A delivery note to prove that goods were received
 - An original invoice stating exactly how much must be paid
- m. Only the authorized signatories are allowed to make withdrawals, and with the approval of the SMC

Additional Points

7. MANAGING PETTY CASH

- a. Maximum of _____ UGX will be kept in cash for the requirements of the school.
- b. Wherever possible the amount must determined in advance and payment made directly after withdrawal from the bank in order to minimize the amount of money held in cash
- c. No advances (loans) may be made out of the petty cash
- d. Only the Treasurer, Head teacher or any other person/s duly authorized by the SMC may have access to the Petty Cash.
- e. Cash may only be removed from the tin if replaced by an approved petty cash voucher.
- f. Immediately after payment the receipt must be clipped to the petty cash voucher and any change returned to the petty cash tin or box.
- g. The Petty cash should be balanced and reconciled monthly.
- h. The cash in the petty cash tin must always add up to _____ (maximum amount) together with the vouchers inside combined.
- i. Petty cash must be stored in a very safe place at all times.

Additional Points

8. MAINTAINING A CASHBOOK

- a. Write on the first open line. Do not leave any lines open as this leaves room for fraud
- b. The cashbook should be maintained daily and reported upon quarterly.
- c. Receipts (income) should be recorded on the left hand side of the page.
- d. Payments (expenditure) should be recorded on the right hand side of the page.
- e. When cash is deposited in the bank then this is treated as a receipt in to the bank and a payment from cash on the same line.
- f. When cash is withdrawn from the bank this is treated as a receipt to cash and a payment from the bank on the same line.
- g. Ensure that only one transaction is recorded per line.
- h. After each transaction update the columns for 'Balance held in cash' and 'Balance held in Account' on the extreme right hand side of the page.
- i. If you make a mistake, rule a line through the whole mistaken line. Rewrite the whole line and put your initials next to the change. In accounting, never use correction fluid.
- j. Entries in the cashbook should also be entered in a Vote book to ensure that spending remains within the prescribed percentages for each budget category.

Additional Points

K. MAINTAINING AN INVENTORY

- a. All non-consumable items that are purchased should be entered into the schools inventory immediately upon delivery to the school
- b. The inventory should be checked and updated every term.
- c. All assets that are listed in the cash book should also be listed in the inventory
- d. When items are delivered to the school they should be entered into the inventory before use.
- e. The following person will be responsible for maintaining the inventory.

Additional Points

L. FINANCIAL REPORTING

- a. Every bank statement should be reconciled with the school cash book and this reconciliation should be signed by the SMC chairperson.
- b. The financial year of the school runs from _____ to _____ of each year.
- c. Monthly and yearly financial reports will include all income and expenditure and a statement of the balance in the bank account
- d. The SMC shall call a meeting between _____ and _____ each year to give a financial report for the school year.
- e. The school will display a quarterly summary of income and expenditure in the following place in the school.

Additional Points

 HANDOUT C (for Session 12)

PROFESSIONAL DEVELOPMENT PLAN

Name _____

School/Institution _____ District _____

Describe 2 areas of personal professional strength that you have identified during the course of this workshop

1. _____

2. _____

For each area of strength identify actions that you can take to share and develop these skills with your colleagues.

Actions to be taken to share strength 1

- _____
- _____
- _____

Actions to be taken to share strength 2

- _____
- _____
- _____
- _____

Describe 2 areas in need of development that you have identified during the course of this workshop

1. _____

2. _____

For each area in need of development identify actions that you can take to improve your skills.

Actions to be taken for development area 1

- _____
- _____
- _____
- _____

Actions to be taken for development area 2

- _____
- _____
- _____
- _____

APPENDIX B

Activities from the Toolkit for Performance Improvement to be completed with others

- _____
- _____

Performance Improvement tools to be used on-the-job

- _____
- _____

WORKSHOP EVALUATION

APPENDIX C

Participant Training Evaluation Form

Date: ____/____/____

Title of Training Program _____

District _____

Participant's current role/occupation _____

Participant's level of education _____

*Please take a moment to rate this Training in terms of **Content, Facilitation, Time Management, and Responsiveness** to your educational needs. Also provide additional feedback in the **Comments** section. (Your comments are an important contribution to our designing training/learning experiences that meet your professional needs).*

*Please circle **one choice** for each statement*

Training Content:

1. The training met my expectations.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

2. The relevance/responsiveness of the training courses to my professional needs was:
 - a. Excellent
 - b. Very good
 - c. Good
 - d. Fair
 - e. Poor
 - f. Not sure

3. I feel that the content provided valuable information, skills and experiences relevant to the topic
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

4. I can easily apply the training's subject matter to my job/work.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

5. My understanding of the training content was:
 - a. Very satisfactory
 - b. Satisfactory
 - c. Neutral
 - d. Dissatisfactory
 - e. Very dissatisfactory
 - f. Not sure

Training Input: Facilitation and Logistics

1. The opportunity for interaction, participation and questions was:
 - a. Very satisfactory
 - b. Satisfactory
 - c. Neutral
 - d. Dissatisfactory
 - e. Very dissatisfactory
 - f. Not sure
2. I feel comfortable with the support materials that I received as part of the training.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure
3. The training materials were suitable.
 - a. Strongly agree
 - b. Agree
 - c. Disagree
 - d. Strongly disagree
 - e. Not sure
4. The training materials were enough and understandable.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure
5. The venue, lodging and meals arrangements were:
 - a. Very satisfactory
 - b. Satisfactory
 - c. Neutral
 - d. Dissatisfactory
 - e. Very dissatisfactory
 - f. Not sure

APPENDIX C

Training Process: Schedule

1. The instructor's knowledge and presentation style was:
 - a. Excellent
 - b. Very good
 - c. Good
 - d. Fair
 - e. Poor
 - f. Not sure

2. The schedule was such that the topics were all covered adequately.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

3. The allotted days were an adequate amount of time for the training.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

4. The amount of outside and/evening work is reasonable.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

Training Product

1. Overall the value of the training program was:
 - a. Excellent
 - b. Very good
 - c. Good
 - d. Fair
 - e. Poor
 - f. Not sure

2. I would recommend this training to colleagues in my area of work/practise.
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Not sure

APPENDIX C

Further Comments:

What parts of the training would you improve? What should we do to improve the quality of this training?

Application of Training

What **will you do differently** in your practice/service setting as a result of this training?



What additional training or support do you require to apply the training in the workplace?



What concerns do you now have about your role as an education manager?

What do you feel is the biggest challenge to strengthening the management system in the education sector?

