

**EVANGELICAL LUTHERAN CHURCH IN TANZANIA (ELCT)**



**FINANCE & PROCUREMENT REGULATIONS**



**JANUARY 2019**

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## **ACRONOMY**

CW:	Common work
DSG FA:	Deputy Secretary General Finance and Administration
DSG: -	Deputy Secretary General
ELCT: -	Evangelical Lutheran Church in Tanzania
KATHEMA:	KamatiyaTheologianaMaadili.
OD:	Over Draft

## **FOREWORD**

The Evangelical Lutheran Church in Tanzania (ELCT) comprises of 26 dioceses and two mission areas with a membership of nearly 7.6 million out of over 55 million Tanzanians. The Lutheran Church commenced its activities in the country during the 19th Century. The principal activities are Evangelism and Mission and social services.

In 1938, there were 7 Churches in then Tanganyika which formed a Federation of Lutheran Churches in Tanganyika. The federation brought together the 7 Lutheran Churches from all over the country. On 19<sup>th</sup> June, 1963, the seven Churches under the umbrella of the federation merged to become a single church. ELCT has several institutions serving the Church, its units and the community in general.

The objective of this manual is to set out clear rules and regulations to govern financial matters at the national level and also at the institutional and diocesan level. The manual meant to save the ELCT at large; however, institutions and Diocese are allowed to tailor to fit their specific needs without changing the general purpose of the manual. Management and employees of the Church and its Institutions will find the manual very useful in their day to day activities. The manual should be used in conjunction with other manuals used in the Church operations.

**Secretary General,  
Evangelical Lutheran Church in Tanzania  
January 2019**

# 1 INTRODUCTION

## 1.1 BACKGROUND

The history of the ELCT is going back to 1887 where Berlin III opened 1st station in 1887 at Kigamboni and second team was Berlin I entered Tanganyika in 1891 from South Africa and stationed in the Southern Highlands which opened the first missionary station at Ipagika or Pipagika (*Wangemannshohe*) later on called Konde Diocese. In 1890 Berlin III changed its role and became Bethel Mission and settled in Tanga. In 1910 they opened a mission station in Bukoba, Kagera Region on the way to Rwanda.

The third mission society to Tanzania was Leipzig Mission Society, again from Germany. This society entered the country in 1893, opened its first station at Kidia, Old Moshi in Kilimanjaro region.

In the above movement Seven Churches were formed in the then Tanganyika:

- Ubena – Konde - Now Konde diocese
- Uzambaramo – Uluguru -Eastern Coastal Diocese
- Usambara – Digo – North Eastern Diocese
- Iramba – Turu – Central Diocese
- Iraq – Mbulu – MbuluDiocese
- Northern Western – North Western Diocese
- Northern - Divided into 5 Dioceses now.

## 1.2 FORMATION OF THE ELCT

By 1938, there were seven churches in Tanganyika, as the country was known. They then formed a federation known as the Federation of Lutheran Churches in Tanganyika. On June 19, 1963, the seven Churches, under the umbrella of a federation, merged to become Synods and Dioceses of a single Church, known as the Evangelical Lutheran Church in Tanganyika and later Evangelical Lutheran Church in Tanzania after the two countries (Tanganyika and Zanzibar) united to form the United Republic of Tanzania.

The Church started with 500,000 members and the number keeps on growing. The growth is due to the strategies to reach the people with the gospel including social services rendered to all the people without discrimination. The mission of the ELCT is not bound by boundaries but crosses beyond them. Thus the church participated in establishing Lutheran Churches in Kenya, Mozambique, Uganda, Malawi and Congo.

## 1.3 CURRENT STATUS

The estimated membership population so far is 7.3million followers with 26 dioceses and 2 mission areas. The 26 Dioceses are as follows:

1. North Western Diocese, Ulanga/Kilombero Diocese, North Eastern Diocese, Eastern and Coastal Diocese, Pare Diocese, Mbulu Diocese, Northern Diocese, Iringa Diocese, North Central Diocese, Dodoma Diocese, Karagwe Diocese, East of Lake Victoria Diocese, Central Diocese, Diocese in Mara Region, Southern Diocese, Diocese of Meru, Konde Diocese, South Western Diocese, South Central Diocese, Morogoro Diocese, South East of Lake Victoria Diocese, South Eastern Diocese, Ruvuma Diocese, Lake Tanganyika Diocese Mwanga Diocese, and Central Western Diocese

## 1.4 REGISTRATION

Evangelical Lutheran Church in Tanzania was registered under the Trustees and Incorporation Ordinance of Tanganyika CAB 375 of the 1971 as amended in 2002, then called "*The Trustees' Incorporation Act*" bearing its registration No. 477 and registration of Society Act CAP 318 bearing its number of registration No. 748. The seal shall be "*The Registered Trustee of the Evangelical Lutheran Church in Tanzania*"

### ELCT VISION:

*A communion of people rejoicing in love and peace; blessed spiritually and physically, hoping to inherit eternal life through Jesus Christ.*

### MISSION:

*To make people know Jesus Christ and have life in its fullness by bringing to them the Good News through words and deeds based on the Word of God as it is in the Bible and the Lutheran teachings guided by the ELCT Constitution.*

### CHURCH FOCUS:

- ▶ Main focus – Propagating the "Holistic" Gospel serving people through spiritual, social, economic and environmental intervention.
- ▶ In serving human beings in a holistic way, the church carries out mission work within and outside the country.



## ORGANIZATION

The Church is organized as follows:

- ▶ General Assembly comprises of about 250 members from all diocese and common work institutions meet once in every 4years– Chaired by Presiding Bishop.
- ▶ Executive Council draw members from all diocese meet twice a year – Chaired by Presiding Bishop.
- ▶ The Executive Council is assisted by number of sub-council, boards and committees in all discipline carried by the Church. i.e. Executive Committee, Finance council, Planning and Development Council, LUICO Board, University Councils, Mission and Evangelism Council, KATHEMA, Constitution Council, Women Council, Youth Council, Njombe and Mwanga School for Deaf Board, Lutheran Junior Seminary Board, Radio Gospel Moshi Board,
- ▶ Office of the Presiding Bishop
- ▶ Office of the Secretary General assisted by four Deputies Secretary Generals (DSG) and office of the Auditor General:
  - ✚ DSG – Finance and Administration
  - ✚ DSG Planning and Development
  - ✚ DSG Social Services and Women’s Works
  - ✚ DSG Mission and Evangelism
  - ✚ Office of the Auditor General
- ▶ Common work Institutions
  - ✚ Good Samaritan Foundation and it organs- KCMC – Kilimanjaro Christian Medical Centre, International School of Moshi, St. Luke Foundation. KCMC School of Nursing.
  - ✚ Tumaini University - Makumira with its three constituency colleges.
  - ✚ Two Primary Schools;-Njombe School for the Deaf and Mwanga School for the deaf,
  - ✚ One secondary School – Njombe School of Deaf
  - ✚ One Seminary School – Lutheran Junior Seminary School
  - ✚ Mbeya Lutheran Teachers College
- ▶ Dioceses are semi- Autonomy and therefore carry the activities on their own.

## CORE VALUES

- Witnessing, Truthful, Advocating, rewarding and daring Church
- Rejoicing and Proclaiming salvation
- Forgiveness and justification by grace through faith in Christ
- Commitment
- Accountability
- Compassionates
- Prayerfulness

## ELCT'S PRIORITY STRATEGIES

The priorities areas were drawn from the 2015 to 2025 strategic plan.

- Mission and Evangelism – To strengthen Mission and Evangelism work for sustenance of Christian/Church identity.
- Diakonia – To ensure the role of the Church in support of vulnerable groups.
- Resources Mobilization –Enhancing mobilization and management of financial and non-financial recourses at all level.
- Gender and Children's Right – To promote gender relation and children rights
- Social Services – To ensure quality service is provided at all level of the church.
- Policy analysis and Advocacy – To promote policy analysis and advocacy.
- Capacity Building – to Enhance capacity building to staff at all level of the Church.
- Good Governance – To strengthen Good Governance for effective services delivery.

## 2 PURPOSE OF THESE REGULATIONS

These Finance Regulations contain the basic principles, policies and regulations that are to guide Church's financial operations (hereinafter called 'the Finance Regulations' or 'the Regulations'). Their purpose is to ensure that, **CHURCH** functions are carried out in an accountable, effective and efficient manner, consistent with its constitution, strategic goals, mission, values and code of conduct. The Regulations are meant to provide all employees with a clear understanding about financial operations, including the roles, powers, rights and responsibilities of fellow employees of Church.

The Regulations contains guidelines for ensuring that the highest professional standards are adhered to in the performance of the accounting and auditing functions, and that full, clear and accurate financial records are maintained at all times.

All Church employees are required to abide by these Regulations. Non-compliance with the Financial Regulations or any part thereof shall constitute a breach of contract, as specified herein and in the Human Resources Policies Manual.

All employees who have knowledge of non-compliance of these Regulations shall be responsible for alerting the Secretary General or any member of the ELCT Management or member of the Finance Council or Executive Council of the matter.

These Finance Regulations shall be read in conjunction with the ELCT Human Resources Policies.

The Financial Regulations shall be reviewed, in the light of any significant change in circumstances, and there shall be a formal review at least once every three years.

### **3 ESTABLISHING REGULATIONS**

- i. The major accounting policies and regulations of the ELCT, including these regarding financial matters, shall be set by the ELCT Finance Council and ELCT management, in accordance with Church's constitution and is consistent with Generally Accepted Accounting Principles (GAAP), applicable to Society Organizations' in Tanzania) and as promulgated by the Tanzanian National Board of Accountants and Auditors (NBAA).
- ii. ELCT shall prepare its financial statements in accordance with International Public Sectors Accounting Standards (IPSAs) as set by the International Accounting Board time to time.
- iii. After consultation with employees, the ELCT Finance Council and ELCT management reserve the right to revoke, add or amend the Regulations at any time that may be needed.

### **4 CODE OF CONDUCT AND WHISTLE-BLOWING**

The ELCT employees are required to abide by the provisions of the Finance Regulations.

Where specific responsibilities are delineated, the persons responsible shall discharge their responsibilities fully, in accordance with the Finance Regulations. Non-compliance with the Finance Regulations or any part thereof shall constitute a breach of the code of conduct.

The Deputy Secretary Finance and Administration (DSG FA)/Diocese Treasurer shall have overall responsibility for ensuring that the Financial Regulations are implemented and fully complied with. The DSG FA/Treasurer shall advise the Finance Council and the Secretary General/General Secretary of all incidents of non-compliance.

All employees, who have knowledge of non-compliance of these Finance Regulations, shall be responsible for alerting their Head of Department and/or Secretary General of the matter. Specifically, ELCT shall operate a whistle-blowing policy. Under this policy, if any employee is aware of any issue of non-compliance of these Finance Regulations or the Human Resource Policies, these matters may be properly raised with the senior executive and/or non-executive representatives of ELCT. The whistle-blower policy is ensuring an utmost confidentiality and protection of the whistle-blower from any threat of intimidations dismissal, harassment or victimization.

In such cases, the Secretary General/General Secretary shall instigate an investigation. Should the issue be proven, ELCT may make a discretionary award to the whistle-blower.

As also indicated above any employee, who through misappropriation or misapplication of funds or other significant non-compliance of the Human Resource Policies and Finance Regulations, causes loss or damage to ELCT may be held personally liable, and shall be subject to reimbursement of loss/damage to Church and disciplinary action

In such cases, the DSG Finance and Administration/Treasurer shall report the matter to the Management/Finance Council who shall make recommendations. These recommendations shall subsequently be ratified by the Executive Council, in a fair and consistent manner and provide reasons for the determination in writing. The employee concerned shall have right to a fair hearing and right of appeal, in accordance with the applicable provisions, as set out in the Employee Labor Relation Act, ELCT Human Resources Policies and these Finance Regulations.

In addition, ELCT shall introduce a suggestion box, as an additional source of providing information and feedback.

## **5 SIGNIFICANT ACCOUNTING POLICIES**

The each ELCT unit financial year shall end on 31 December of each year.

The each ELCT unit shall prepare annual financial statements, in accordance with International Financial Reporting Standards (IFRS) using the accruals basis of accounting. This policy follows the practice commonly adopted by Public Sectors and Society Organizations in Tanzania.

The each ELCT unit Financial Statements shall be audited in accordance with International Standards on Auditing (ISA's). The audit should be completed and the audit opinion signed no later than six months after the close of the financial year, that is, 30 June of the following year.

Accounting records shall be maintained in a professional computerized accounting package, so as to enable automated reports and quick reference, and limit errors and potential for fraud. Accounting package being used currently is Web ERP. The package will be reviewed regularly.

ELCT shall maintain all substantive financial records (in both paper and electronic formats) in a secure and organized fashion, for a period of seven years after the end of the financial year. Exceptional for those records of long terms in nature, these include record from retirement Schemes, registration and statutory certificates and all documents of which by destroying them will bring a loss to historical record requirement.

**Filing Management System:** An electronic filing system shall be established of which documents of high important are file in a scanned formats and shall be recognized as original for use. Original documents shall however be kept for future references.

## **Revenue**

Revenue comprises of 2% Contribution, ELCT Day, Mission contributions, contribution from partners through LMC and through bilateral, projects administration cost, ELCT shopping Centre and Rental income. Revenue is recognized on accrual basis.

- Offering are recognized on accrual bases basing on the collection from the Parishes. Recognition of the accrued offering are done when there is a highly probable expectation of receiving the intended amount. The cut off of the recognition of offering of the previous year is three month after year end.
- Donor and contribution from Partners are recognized on cash basis after all conditions emanated from grants received has been meet
- Selling of books is recognized at a point when the risk of the books inventory is transferred to the buyer excluding books returned (Accrual basis).
- Rental income is recognized on accrual bases.
- Missionaries taxes are recognized on cash bases based on what has been received, then being debit bank account credit income-missionaries taxes. However taxes expenses are recognized on accrue basis. The first entry is to recognize taxes as

expenses and liabilities once the summaries of taxes expenses has been approved by debit taxes expenses in the statement of financial performance and credit taxes payable to TRA. On payment of taxes to TRA, the entry should be debit TRA Taxes payable and credit bank account.

**Foreign currency translations:** Transactions in currencies other than Tanzania Shillings are recorded at rates prevailing at the transactions dates. Monetary assets and liabilities that are denominated in foreign currencies are translated into Tanzania Shillings at rates prevailing at the balance sheet date. The resulting differences from conversion and translation are dealt with in the income statement.

**Trade and other receivables:** Trade and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the organization will not be able to collect the debts. Bad debts are written off when identified.

**Capital grants:** Capital grants are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets

**Cash and cash equivalents:** Cash and short-term deposits in the balance sheet and cash flow statement comprise cash at banks and on hand.

**Fixed Asset:** Property plant and equipment is initially measured at its cost, subsequently measured either using cost or revaluation model and depreciation so that its depreciable amount is allocated on a systematic basis over its useful life.

For the purposes of arriving at the net book value of the fixed assets for insurance and monitoring purposes, shall use the following annual rates of depreciation in the memorandum records:

Categories	Rate
Leasehold land	over lease period – 40 years
Buildings:	4% per annum – 6 years
Motor vehicles and cycles:	16% per annum
Computers:	33.3% per annum
Other equipment and tools:	25% per annum
Furniture and fittings:	12.5% per annum

**Cost of assets:** The cost of assets includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace

part of, or service it. It includes the cost to bring the assets to working condition for its intended use.

A fixed asset register shall be maintained and appear in a memorandum record, as part of the accounting records. A summary of the individual items appearing in the fixed asset register shall be included as an appendix to the annual financial statements.

**De-recognition** – Assets shall be removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefit are expected from its disposal. The gain or loss shall be recognized in profit and loss.

### **Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. No depreciation is provided for non-current assets held for sale.

**Provisions:** Provisions are made when the organization has a present obligation, as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

**Impairment of Assets:** An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset or a group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount.

**Trade and other payables:** Liabilities for the trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the organization.

**Financial assets:** The financial assets at fair value through profit and loss are recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition and subsequent measured at their fair value, without any deduction for transaction costs that it may incur on sale or other disposal. The net gain or loss recognized in profit or loss, and incorporating any dividend earned on the financial assets.

**Related Party Transactions:** Parties are considered to be related if one party can control the other party individually or jointly, or to exercise significant influence over the other party in making financial and operating decisions. They include relationship with Dioceses, Common Works, Parishes, and key Management personnel. For ELCT, key management shall include; Secretary General; Deputy Secretary Generals, Auditor General, Presiding Bishop, Council Members and their close relatives. Some of the ELCT's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

**Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) ELCT as lessor

- (a) Amounts due from lessees under finance leases are recorded as receivables at the amount of the Church's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Church's net investment outstanding in respect of the leases.
- (b) Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

(ii) ELCT as lessee

- (a) Assets held under finance leases are recognized as assets of the ELCT at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are



charged directly to statement of financial performance, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the ELCT's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

- (b) Rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

### **Inventories:**

Inventories are measured at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. However, where inventories are acquired through a non-exchange transaction, their cost shall be measured as their fair value as at the date of acquisition. Inventories are required to be measured at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Costs include all purchase cost, conversion cost (materials, labour, and overhead), and other costs to bring inventory to its present location and condition, but not foreign exchange differences and selling costs. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.

For inventory items that are not interchangeable, specific costs are attributed to the specific individual items of inventory.

ELCT applies the same cost formula for all inventories having similar nature and use; a difference in geographical location of inventories by itself is not sufficient to justify the use of different cost formulas.

For interchangeable items, cost is determined on a first-in, first-out basis. For inventories with a different nature or use, different cost formulas are used.

When inventories are sold, exchanged, or distributed, the carrying amount is recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed or related services have been rendered.

Write-downs to net realisable value are recognized as an expense in the period the loss or the write-down occurs. Reversals arising from an increase in net realisable value are recognized as a reduction of the inventory expense in the period in which they occur

**Financial Statements:** According to IPSAS No. 1 Presentation of financial statements, ELCT financial statements shall include:

- (i) A statement of financial position;
- (ii) A statement of financial performance;
- (iii) A statement of changes in net assets/equity;
- (iv) A cash flow statement;
- (v) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; and
- (vi) Notes, comprising a summary of significant accounting policies and other explanatory notes.

**Presiding Bishop/Bishop Report:** According to Tanzania Financial Reporting Standard No. 1 on Directors' Report which was issued by NBAA, every entity is required to produce such report. For ELCT and its Dioceses, the report shall be known as Presiding Bishop Report/Bishop Report. The report will accompany each set of financial statements.

## 6 DEFINITIONS

**“Accounting Officer”** An officer of the Church responsible for signing bearing signature of the documents on behalf of the Church. “The Secretary General of the Evangelical Lutheran Church in Tanzania”

**“Accountant”** Mean “an employee of the ELCT with accounts knowledge and possess of the highest Accounting qualification registered by NBAA working under Finance department”

**“Assistant Accountant”** Mean an employee of the ELCT with knowledge in accounting but with diploma or ATTEC two (Technician) in accounting field

**“Accounts Officer/Audit Officer”** mean an employee of the ELCT with knowledge in accounting with bachelor degree in accounting or professional foundation.

**“Senior Accounts Officer”** mean an employee of the ELCT with knowledge in accounting with bachelor degree in finance, Postgraduate or Professional intermediate

**“Book of Accounts”** Includes books used to records financial transactions maintained manually or electronically depending on the advancement.

**“Cashier”** Means “a person responsible for controlling petty cash, receiving cash collected and deposit in the Church designated bank accounts:

**“Deputy Secretary General”** Means an officer who is the head of department, for the purpose of the regulation “Assisting the Secretary General from performing his Duty”

**“Director”** Mean the heads of division in the department report to the Deputy Secretary General.

**“Employee”** means any person employed by ELCT under an employment contract.

**“Employer”** means the Executive Council of the Church.

**“Executive committee”** Means subcommittee of the Executive Council as described in the ELCT Constitution

**“Executive Council”** Means superior body of the Evangelical Lutheran Church in Tanzania working on behalf of the General Assemble of the Church. The responsibilities are as described in the ELCT Constitution.

**“Finance Council”** Means the council responsible for the Church finance as defined in the ELCT constitution.

**Financial Year** means fiscal year shall be covered of twelve month. For the ELCT the financial year starts from January 1<sup>st</sup> to December 31<sup>st</sup> of each year.

**“General Secretary”** Mean the Executive Officer or Accounting officer of the Diocese.

**“Head of Department”** means an employee who is in charge of a department and is responsible for overseeing and supporting the work of the employee(s) in that department.

**“ICT Officer”** means the ELCT official, who manages the team concerned with communications and public relations and all software and information technology at large.

**“Leave”** means absence from work with or without pay, which is authorized by the employer in accordance with the Human Resources Policies Manual.

**“Long Term Contract Employee”** means an employee of Church (ELCT) working full time and with a contract of employment of more than six continuous months.

**“Organization”** means Evangelical Lutheran Church in Tanzania (ELCT).

**“Organization Chart”** The organizational structure of Church at the time these Finance Regulations were approved.

**“Officers of the Church”** Mean the Presiding Bishop, the Secretary General, Deputy Secretary General Finance and Administration and recorder of the Church minutes.

**“Partnership Agreement”** is the agreement that ELCT enters into in order to formalize the terms and conditions of its relationships with its stakeholders, shareholders, boundary partners and development partners, including roles and responsibilities and expectations of the parties involved.

**“Payment Voucher (PV)”** means the sequentially numbered form used in accounting for expenditure.

**“Per Diem Rate”** means the daily rate, including accommodation and meals and other personal errands that will make conducive environment to staff who sent on mission out of station which more than 20 km from office{previously called the Daily Subsistence Allowance (DSA)}.

**“HR Policies”** means the Human Resources Policies Manual.

**“Probation”** means the period of initial employment, during which appointment to the position is yet to be confirmed by the employer.

**“Procedures Manual”** means the Procedures Manual or Terms of Reference for the Procurement Committee.

**“Procurement”** means the procedures followed by the Church for the purchase of goods and services to decide, which supplier shall be appointed, as the provider of those goods and services.

**“Procurement Committee”** means the committee appointed by the Finance Council to oversee procurement on behalf of Church.

**“Regulations”** means the Finance Regulations, as articulated herein, which regulations may be amended by the Finance Council and subsequently ratified by the Executive Council of the Church.

**“Responsible Accountant”** A Responsible Accountant is an accountant, with designated accounting responsibilities, reporting to the Senior Accountant, as set out in the individual job profile

**“Senior Accountant”** is Accountant Responsible in supervising other accountants, reporting to the Deputy Secretary Finance and Administration.

**“Secretary General”** Chief executive of the Church he/she will be Chief Accounting Officer of the Evangelical Lutheran Church in Tanzania.

**“Spouse”** means a person whom is legally married to the employee

**“Supervisor”** means an employee responsible for overseeing and supporting the work of a subordinate employee(s).

**“Treasurer”** Means the head of the Finance Department at the Diocese/Institutions.

**“Trustees”** Means as per ELCT Constitutions are members of the Executive Council. These are represented by the Presiding Bishop, Secretary General and Deputy Secretary General Finance and Administration”

**“Whistle-Blowing Policy”** means the policy, whereby any employee concerns about non-compliance with ELCT Human Resource Policies and Finance Regulations may be properly raised and addressed, whilst protecting the whistle-blower from dismissal and victimization.

**“Working Day”** means any day on which an employee would normally be required to work (that is, Monday to Friday). A working week has five working days from 08.00 to 16.00, with a half an hour break.

## **7 GUIDING PRINCIPLES & GOOD GOVERNANCE**

There is an over-arching principle that ELCT shall strive to achieve the highest standards of good corporate governance, transparency and accountability. These guiding principles recognize that ELCT is entrusted by the public to be a responsible and effective steward over its assets and resources. In this context therefore, ELCT shall be guided by the principles described below:

### **7.1 CUSTODIANSHIP**

- That the resources of the organization are effectively, efficiently, honestly and faithfully used to achieve the organization's objectives;
- That the resources and assets are under the custody and stewardship of the ELCT Board of Trustee are safeguarded from loss, fraud, waste and inefficient use

### **7.2 COST EFFECTIVENESS**

- Funds are used carefully to maximize quality and minimize cost;
- A culture of frugality is promoted and observed.
- Value for money should be a motive of every employee of the Church.

### **7.3 ACCOUNTABILITY**

- There is segregation of duties and responsibilities and accountability, as exercised at different levels as appropriate, with specified roles for the members of the General assembly, The Executive Council, the Board of Trustee, the Finance Council, Audit Committee, the Procurement Committee, the Secretary General/General Secretary, the Deputy Secretary General Finance and Administration/Treasurer, Senior Accountants and other employees all have specified roles and are accountable to their doings
- Financial statements are prepared in compliance with International Public Sector Accounting Standards and Tanzanian GAAP as pronounced by the National Board Accountant and Auditors for public entity Sectors and are

consistent with these approved Finance Regulations and significant accounting policies;

- Financial statements are audited by an independent and well-respected audit firm. The audit must be conducted in accordance with International Standards on Auditing (ISA's).

## **7.4 TRANSPARENCY**

- Decisions and actions are fully documented and exceptional circumstances are explained;
- Financial information is accurately recorded, clearly presented and disclosed, without undue delay to those who have a right to request it;
- Files and documentation are maintained in good and accessible order at all times.
- Approval of the documents must be done with those responsible to the budget concern. All request of the projects funds shall be signed by the personal responsible for that budget.
- All projects/investment decision must follow the underlined process of approval.

## **7.5 COMPLIANCE**

- Financial management is consistent with legal requirements;
- Compliance, reliability and consistency with the ELCT Human Resource Policies Manual, the Financial Regulations and the Procurement Procedures and any other directives issued by the highest body of authority from time to time, are maintained at all times;
- Exceptions to these rules and regulations are kept to a minimum, employed only when necessary and justifiable, and fully documented and authorized.
- Rules and regulation of the land must be adhered.



## **7.6 INTEGRITY**

- The integrity of the organization and individuals within the organization is demonstrated and beyond question;
- There is zero-tolerance towards corruption, fraudulent, misuse of funds;
- There is full clarity about how funds are utilized and records represent an accurate, true and fair reflection of reality;
- Regulations and practices ensure that actual or potential conflicts of interest are avoided, wherever possible. Where there are conflicts of interest which are at unavoidable situations, the declaration policies must be adhered at outmost sphere.

## **7.7 SUSTAINABILITY**

- Management of resources, assets and planning are done in a manner that enhances and safeguards the sustainability of the Church and its work.
- As per ELCT Constitution the Trustees of the Church are responsible for the sustainability of the church projects.

## **8 DECISION-MAKING AND ROLES & RESPONSIBILITIES**

### **8.1 PURPOSE**

In order to ensure smooth operation, effective and efficient management of resources, while maintaining accountability and adequate checks and balances, powers and responsibilities shall be delegation at different levels throughout ELCT. This means responsibilities are shared and distributed at all levels, from the General assembly to the employee as follows:

### **8.2 LEVELS OF DECISION-MAKING, ROLES AND RESPONSIBILITIES**

General Assembly:

- General Assembly of the Church meet in every four years.
- Appoints the Church's presiding Bishop to serve for four years as the head
- Appoints boards and Councils members of the ELCT to serve usually for a four year period.
- Give directive for all Church's work as stipulated in the Church Constitution to enhance Unity.

**Executive Council:**

- Endorses an overall strategy and corresponding budget, usually for a four year period for ELCT and its institutions;
- Approves the annual audited financial statements and any accompanying corresponding annual narrative and financial reports.
- Perform other duty as stipulated in the ELCT Constitution.
- Appoints bankers and approves types of bank accounts, signatories and levels and limits of authority;

**The Board of Trustees:**

The Presiding Bishop, the Secretary General and the Deputy Secretary Finance and Administration whom are among of the Trustee of this Church have the following responsibilities:

- They are signatories of the Church legal documents. The Chairperson signature is mandatory.
- They are custodian of the Church Assets
- They are the custodian of the assets and liabilities of any area of the Church which members/Diocese lost their custodianship.
- They are custodian of the property right of the Church.

### **The Finance Council**

Main role is to oversee the finance of the Church through the following activities;

- Advises the Secretary General and DSG Finance and Administration on strategic decision-making and serves to protect the relevance and credibility of the Church in line with its founding mandate;
- Sets overall regulations, principles and guidelines for financial management and delegate these powers, when necessary;
- Ratifies the annual budget before forwarding to the Executive Council.
- Ratifies the annual audited financial statements before forwarding to Executive Council approval
- Endorses annual activity work plans and corresponding budgets and present.
- Reviews and approves annual and half-year financial and narrative reports;
- Plays a vital role in decision-making on major issues, as well as monitoring the effective productivity of Church;

### **The Presiding Bishop**

- He/she will perform duties as stipulated in the ELCT Constitution
- For the purpose of this regulation, the signature of Presiding Bishop must be mandatory in any documents to be legally binding.

### **The Secretary General**

- He/she shall be a Chief Accounting Officer of the Church.
- He/she will perform duties as stipulated in the ELCT Constitution

### **The Deputy Secretary Finance and Administration**

- He/she shall be treasurer of the Church. He/she shall be the head of Finance and Administration.
- He shall prepare the Annual Financial report and present to the Executive Council.
- He shall prepare budget basing on the work plan submitted by the department and present it to the Executive Council for approval.
- He/she will perform other duties as stipulated in the ELCT Constitution,

### **Delegation**

Delegation of financial responsibilities, in the absence of the designated office holder, shall be undertaken in the manner prescribed in these Financial Regulations and the Human Resource Manual.

## **9 BANK MANAGEMENT**

### **9.1 PURPOSE**

Church shall maintain its funds in bank accounts that are safe, reputable, which give excellent value for money embracing cost effective manners. The Finance Regulations below specify the manner in which all Church bank accounts shall be operated and managed to ensure accountability, transparency and effectiveness.

### **9.2 BANK ACCOUNTS**

- i. The ELCT Executive committee shall approve and the Executive Council shall ratify the appointment of bankers and the opening and closure of all Church bank accounts. In making their determination, the Executive Committees shall take into consideration the reputation of the bank, the safety and security of funds, efficient service, cost of service, value for money and other criteria that they deems to be in the interests of Church.
- ii. The Executive Committees shall also approve the rules governing the operation of bank accounts, including types and currencies of accounts, signatories and the authority levels of each signatory, minimum signatory requirement and other safety measures.
- iii. All decisions regarding the operation of bank accounts shall be documented in writing and communicated with the relevant banks in writing by the DSG FA
- iv. All bank accounts shall be registered in the name of Evangelical Lutheran Church in Tanzania or its abbreviated name, ELCT. In the latter case, where a designated bank is required under the terms of the partnership agreement, the bank account name may also contain the name of the project without missing of the ELCT abbreviation. For example, 'ELCT- General Accounts”
- v. Unless determined otherwise, ELCT shall maintain separate bank accounts for funds in Tanzania shillings & foreign currency with its bankers.
- vi. ELCT shall, wherever possible place surplus funds in interest-bearing accounts and seek arrangements, whereby bank charges, inter-account transfer fees and foreign exchange losses are kept to a minimum. All earnings and bank charges shall be fully accounted for and documented on a monthly basis, and reflected in the accounting records.
- vii. The accountant shall prepare a payment plan for number of supplier/payee checked by the Senior Accountant and approved by the DSG Finance and Administration. Writing

cheques in random is highly discouraged. Cheques shall be written in a planned payment batch, no cheque will be written unless the last batch was dispatched to the payee.

- viii. The Senior Accountant shall monitor bank balances daily. To avoid incidents of 'bouncing cheques', penalties and jeopardizing the reputation of Church, the Senior Accountant shall ensure that cheques are not written, where there are insufficient funds in any bank account.
- ix. It shall be a serious offence, and a breach of these Finance Regulations, for any cheques, not containing a payee name, to be pre-signed

**Signatories**

It shall require cheques and other bank transactions to be signed by at least two authorized representatives. Please refer to the below for signatories and permutations, as well as the approval limits.

Unless determined otherwise, signatories of ELCT bank accounts shall comprise the following:

- i. General Secretary/General Secretary
- ii. DSG Finance & Administration/Treasurer
- iii. Senior Accountant
- iv. Other DSGs, Senior Officers of the Church appointed.

The Church shall Endeavour to operate as few bank accounts as possible. New accounts may only be opened with the approval of the Executive Committee. Bank accounts held should be reviewed once a year by the finance council. The following persons shall be the signatories to operate the Bank Accounts.

	<b>GROUP A</b>	<b>GROUP B</b>
1	Secretary General	Other DSGs /Directors/Project coordinators
2	DSG Finance and Administration	Senior Accountant

To effect payment, a cheque or any other instrument must bear two signatures, one must be group A.

The signatory mandate is two to sign, however the Signature of the Secretary General or Deputy Secretary General Finance and Administration is mandatory.

**At any circumstances signatories are not allowed to sign a blank cheque. All cheques shall be attached with sufficient supporting documents.**

### **9.3 AUTHORISATION LEVELS**

- i. Except for the circumstances, only a person, who is an employee of ELCT holding a valid contract, shall be a signatory of Church bank accounts. The DSG F/A shall promptly advise the Management to inform the Executive Council and respective bank, whenever an authorized signatory is no longer employed by ELCT. Any employee, who is serving a probation period of his /her contract, may not be a signatory of Church bank accounts.
- ii. The Senior Accountant (or the Assistant Accounts Officer upon delegation by the Senior Accountant) shall normally write cheques. However, in order to achieve proper segregation of duties and for the check and balances, the Accountant and other employees shall not be signatories to ELCT bank accounts.
- iii. The DSG Finance and Administration may delegate to Accountant with limited authority to present documents to the banks, cash cheques, make deposits, obtain bank statements and other such transactions, provided that such privileges are clearly specified in writing and cannot be construed in any way as denoting signatory authority.

## 9.4 APPROVAL LIMIT LEVELS

COMPONENT	ELEMENT	MGT	Finance Council	Executive Committee	EC
LIABILITIES	Term Loan/OD Facilities	Nil	51 mil- 200 mil	201 mil – 500mil	Above 500mil
ASSETS	Investments	100 mil	101mil – 500mil	500mil - 1Bil	Above 1Bil
	All other assets	As per annual Budget			
EXPENSES	All expenses	As per annual Budget			

In any loan taken, Board of Trustee shall sign to validate the legality of the loan, the signature of the Chairperson is mandatory.

## 9.5 INTERNET BANKING AND OTHER TYPES OF BANKING

With the approval of the SG upon advice from DSG Finance and Administration, the Senior Accountant shall make arrangement, where necessary, for internet banking and other types of banking. The authorization and approval and signatory procedures for internet banking shall follow the principles laid down elsewhere in these regulations. Any deviations from these principles shall be approved by the Finance Council/Executive Committee and incorporated as an additional appendix to these Finance Regulations.

### OTHER SECURITY MEASURES

All cheques and other important bank-related documents shall be maintained in a locked safe.

- i. Payments shall be made by cheques rather than cash. Cheques shall generally be made in the name of the payee and shall remain 'closed' (that is, 'Account Payee Only'). In limited circumstances, when payment is made to an individual, who does not maintain a bank account, cheques may be made out in his/her name and 'opened' so as to enable the payee to cash the cheques, with appropriate presentation of identity to the Bank. Cheques made out to 'cash' (instead of name of payee) are prohibited in any circumstances.
- ii. The signing of any blank cheques (not containing the payee name) shall be in strict contravention of these Finance Regulations and this shall be an offence, for which an official warning letter shall be given.

- iii. The Accountant shall maintain a register of all cheques which should be written in sequential order. The register shall contain all information noted on the 'cheques list' and in addition, maintain a running bank balance.
- iv. The Accountant shall ensure that a cheque is only written where there is an appropriate approval and an assurance of adequate bank funds in the bank account and that the cheque shall not 'bounce'. Locking of the written cheque is prohibited.
- v. The Accountant shall clearly mark all cheques that are spoiled 'Void' enlarge print and written in undeletable ink and maintain these in the cheque book. The relevant bank shall be notified of the same in writing when transmitting the 'cheques list'.
- vi. All transactions undertaken with banks shall be in writing. Internal correspondence regarding major bank matters shall also be in writing and an Accountant shall ensure copies are filed in appropriate files.

## **9.6 TRANSFER TO OTHER ELCT UNIT**

The amount of money to be transferred to ELCT Common Work Institution as their contributions shall be determined and has to be shown in the annual budget. Any other amounts requested by the institution on an ad-hoc basis to rescue a certain situation shall be approved by Finance Council or Executive Committee of the Church.

No transfer shall be made by any staff from any Institution without approval of the said bodies above.

## **9.7 REQUEST OF ADVANCE FROM ELCT UNITS**

In an ad-hoc situation where by the funds are needed by the ELCT Common work from Dioceses or Dioceses from parishes before their respective percentage is submitted, the request shall be approved by the Secretary General/General Secretary or Deputy Secretary Finance and Administration/Treasurer. It is prohibited to any other staff from the office to request the said advance without prior approval of the said Officer.

Any request shall have a copy to an Accountant for records and to any of the above depend on who requested the funds. Example if the Secretary General/General Secretary request the advance from the diocese/parish for the Church activities ad-hockly appeared, the DSG



Finance and Administration/Treasurer shall be copied and likewise if the DSG F/A/Treasurer request the advance for the same shall copy to Secretary General/General Secretary and Accountant(for recording)

Advance request shall be for the Church activities only. It is prohibited to any official to request funds from Diocese or from Parish for person use or for project which are not for the benefit of the Church.

## **9.8 BANK RECONCILIATIONS**

- i. For all bank accounts, the Accountant shall, each month, prepare accurate bank reconciliations, in accordance with internationally accepted accounting standards. The bank reconciliation shall be completed and submitted to the Senior Accountant, no later than on the fifteen day of the month following the month for which the statement are prepared. This timeline assumes that the requested facilities for internet downloading to access bank statements are put in place. The Senior Accountant shall review the bank reconciliation statement within one week of receipt.
- ii. The bank reconciliations shall be approved by the DSG Finance and Administration each month.
- iii. An Accountant shall obtain and review bank statements each month, in sufficient time to prepare the monthly bank reconciliations. Accountant shall also notify the Senior Accountant any errors, anomalies or variances, and notify the respective bank of the same in writing within seven working days of receipt of the bank statement.
- iv. Original copies of all bank statements shall be neatly maintained in an organized manner in proper files established for the purpose.
- v. Accountant shall produce an accurate annual summary of all yearend bank reconciliation and submit this summary to the DSG Finance and Administration, no later than the 31st day of January following the financial year end.

## **10 BUDGET FORMULATION AND MANAGEMENT**

### **10.1 BUDGET**

A budget is a plan quantified in a monetary terms of cost, revenue and resources over a specified period of time, reflecting a reading of future financial conditions and goals.

### **10.2 BUDGET PRINCIPLES**

- i. Operations budget will be greater than or equal to zero with no net reduction in overall reserves.
- ii. Investment income shall not be considered as income in Operations Budget: Market fluctuation on Investments shall not be considered.
- iii. Budget should be prepared basing on the work plan submitted by each department. Department shall submit their work plans attached with sources of income. The plan will be reviewed by the Management Budget committee which will advise the management of the reasonability of the work plan and activities identified by the department to be done in the year under review. The ELCT Management should approve the work plan before translated in figure to form a budget.
- iv. The work Plan shall be approved by the Finance Council.

### **10.3 THE CHURCH/INSTITUTION'S ANNUAL BUDGET SHALL**

#### **CONSIST OF:**

- Summary review of the church/institution's budgetary/Diocese performance of the previous year.
- Critical assumptions on which the following year's budget is based.
- Recurrent and Capital expenditure budget
- Projected Income and Expenditure
- Cash flow Projections
- Human Resources (manpower) Budget (this should be broken down department wise)
- Procurement Plan
- Foreign currency requirement

## **10.4 PREPARATION OF THE BUDGET**

- The annual budget of the Church and its Institutions shall comprise of the recurrent budget, capital budget, and cash flow projections.
- The recurrent budget shall comprise of the recurrent revenue from all sources and estimated recurrent expenditure to be incurred during the financial year.
- The capital budget shall comprise of capital receipts from project funds or any other fund earmarked for development projects and estimated capital expenditure to be incurred during the financial year. Estimated capital expenditure is either portions of major works or commitment of a long term plan of the Church and its Institutions.
- The Deputy Secretary General Finance and Administration shall prepare or cause to be prepared and submitted to the Finance Council of the Church, the annual budget of recurrent expenditure for the ensuing financial year in accordance with the budget guidelines time table provided by the budget manual.
- The budget shall reflect the policies and objectives of the Church and shall be based on the activities undertaken in the year, the Deputy Secretary Finance and Administration, will be responsible for the preparation and submission of the budget as per budget timetable.

## **10.5 BUDGET APPROVALS**

- i. Overall strategy forecasts (and amendments) shall be ratified by the Executive Council after approval by the Finance Council. The annual budgets (and amendments) shall be approved by the Finance Council. Quarterly and activity budgets (and amendments thereto) shall be approved by the Finance Council.
- ii. The DSG Finance and Administration shall ensure that forecasts and budgets are accurate. He/she shall also ensure that actual expenditures are within approved budgets and advise the Church accordingly
- iii. In respect of the annual budget, the DSG Finance and Administration shall, by the 15th day of each month, produce and circulate to the management, a budget against

expenditure report for the previous month. The report shall also show accumulated expenditure for the year against annual budgets.

- iv. Annual and quarterly budgets shall normally be planned and reviewed by ELCT Management before submitted to Finance Committee in quarterly meetings, and more often when necessary.
- v. The DSG Finance and Administration shall develop budget codes for all expenditures for each program strategy period, and update these each year, as required. Budget codes shall be perfectly aligned with budget lines (mapped), so as to enable proper budget management and reporting.
- vi. The Finance Council shall consider and approve the Common Work annual Budget.
- vii. The Boards of ELCT Common Work Institutions and companies shall consider and approve the annual budget of the respective CW Institutions and companies.
- viii. The Executive Council of the Diocese shall consider and approve the Diocese annual budget.

## **10.6 IMPLEMENTATION OF THE BUDGET**

The Respective Cost Centers shall be responsible for the implementation of the Church budget whereas the DSG FA shall be responsible for the control of the budget by ensuring that the budget is not exceeded and is utilized in the most effective and economic use of the resources of the Church. By approving the budget, the Executive Council authorizes the officer responsible for execution of the budget and Deputy Secretary General Finance and Administration to incur the necessary expenditure provided therein is the DSG FA shall be responsible to provide audited financial report to the Executive Council.

## **10.7 INCOME AND INCOME BUDGETS**

- i. The Senior Accountant, in conjunction with the DSG Finance and Administration, shall prepare projected income budgets to be included in the medium-term forecast and strategy. The budget prepared shall be based on the work plan and costing prepared from each department and discussed by the budget committee approved

by the Secretary General on the activities to be carried during the year under review. The budget shall base on the activities and cost laid down by head of departments.

- ii. Budgeted and actual income reports shall be comprehensive and shall include a summary of all incomes shall approved by Management and the same shall be laid and approved by the Finance Council and submitted to Executive Council for final approval.
- iii. Quarterly reporting and monitoring of actual income vs. budget income, together with explanations for the variances, shall be prepared by the Senior Accountant for discussion at ELCT Management Committee meeting and for information and further action and subsequent approval by the Finance Council.

## **10.8 CAPITAL EXPENDITURE**

The Capital expenditure for the year shall be incurred only within the limits of the sanctioned budget which shall be approved in accordance with Approval Limits in section 9.4

A review of capital expenditure comparing the actual expenditure with the relevant approvals together with physical progress reports should be made.

## **10.9 VARIATION AND SUPPLEMENTARY ESTIMATES**

The Deputy Secretary General Finance and Administration shall prepare or cause to be prepared applications for variation/reallocation of funds wherever need arises. These transfers of financial provisions between expenditure sub-heads shall have to be supported by adequate explanations. The approval of the transfer or reallocation shall base on the approval limit provided in section 9.4 of this regulation.

The Deputy Secretary General, Finance and Administration, shall prepare and submit to the Management and eventually to an appropriate approval limits  
Expenditures outside the budget shall not be incurred unless approved by the Executive Council.

Where a need for unplanned expenditure, which cannot be postponed without serious damage to the operations or the interest of the Church/Institution, the responsibility Centre Manager in whose responsibility center the additional activity is to be undertaken shall bring the matter to the attention of the ELCT management who will discuss, deliberate and get approval from the Presiding Bishop. Finally, the expenditure shall be ratified by the Executive Council. A detailed explanation shall be provided for such expenditure.

## **10.10 PERIODIC STATEMENTS**

The Deputy Secretary General Finance and Administration, will submit quarterly actual expenditure/income in comparison with budgets reports to the ELCT/Diocese Management.

The reports will show for each cost center: -

- Income and Expenditure
- Variance from the budget for the quarter;
- Expected variances from the annual budget, together with proposals for adjustment.

DSG FA will provide explanation of factors which may have affected the realization of set objectives, their effect and possible lines of action in consultation with the respective cost center official.

Thereafter corrective measures shall be decided jointly by Management.

## **11 FINANCING**

### **11.1 PURPOSE**

The purpose of this regulation is to provide guidance on the Church funding strategy, financing, and income management as well as reporting requirements.

### **11.2 FINANCING**

- i. In the earlier strategies, the Church strategy for funding was to manage projects, which contributed a percentage to core management costs. Experience has proven this approach tends to undermine the capacity of the Church to work with its core mandate and responsibility to members.
- ii. In the 2015-2025 strategy, the Church shall integrate all projects into the core area of Common Work, with planning, implementation and reporting being integrated. However, funding shall continue to come from Dioceses/Parish such percentage of offering, offering of the ELCT Day, Mission and Evangelism offering, funds from Partner Church and Missions organizations contributions from projects, publications and rental income from Church buildings as well as when necessary loans and advances from Banks.
- iii. For ELCT as a reputable organization to continue to improve its performance and become sustainable, it needs to have sound and secure resources at all levels from finance, to communications materials, staff and others. This can only be achieved if the organization is assured of resource availability in the long-term. The utilization of available and to be obtained resources in effective and efficient way will be key strategy of the Church in order to sustain its project at this time which donor funds are diminishing every day.
- iv. The funding objective is to increase current levels of funding by 30 percent in 2020 and maintain this level of income for the period of the 2015-2025 of the strategy and beyond. This gives a priority the development of a funding strategy therefore in 2018. Measures to ensure the development and implementation of sound financial growth and sustainability are as follows:
  - Develop a comprehensive and realistic funding strategy, with clear rationale for programs/projects of ELCT, showing that ELCT is able to deliver results, as well as sound financial and program reporting.

- Strong finance, narrative and project monitoring reporting shall link expenditure to results and good reporting and communications shall enhance the capacity of ELCT to raise funds.
- Ensure planned activities are carried to secure discipline in use of funds.
- To ensure that the Church maintain resources enough to a one year budget.
- To ensure sustainable source of income which enable the church to contribute to other units and projects.

### **11.3 LOANS&OVERDRAFTS**

ELCT shall not accept income from commercial entities where doing so may imply endorsement of any particular commercial entity or product, or where such engagement may be used for profit-making purposes.

- i. ELCT shall not seek nor accept income, where an actual, potential or perceived conflict of interest is involved, such as entities where ELCT is able to influence decisions or its position may be compromised by its seeking acceptance of funds.
- ii. ELCT shall seek funding relationships with Partners whom by their visual of staying don't compromise the reputation of the Church. The Partners, Stakeholders of high integrity will only be entertained so that to enhance good governance, transparency and accountability, while at the same time keeping reporting terms uniform and clear, so as to reduce transaction costs and enable ELCT staff to concentrate on implementing its core purposes.

### **11.4 REPORTING, TRANSPARENCY AND ACCOUNTABILITY**

- i. ELCT shall provide one set of comprehensive reports in a uniform format to all its stakeholders at a commonly agreed time as follows:
  - Comprehensive, high quality analytical annual narrative report and independently audited financial report by 30 June of the year following the 31 December financial year end;



- Progress briefs (of between seven and ten pages) and budget vs. expenditure report for the half year to 30 June, to be available by the final Finance Council of each year.
- ii. In the interest of transparency and to provide a 'full picture view' the reports shall provide summary information on all the activities, incomes and expenditures of ELCT. The DSG Finance and Administration shall forward these reports to stakeholders, normally after the Finance Council and Executive Council have reviewed and endorsed this information.
- iii. ELCT shall not accept funding under conditions that compromise its independence of thought, strategy, approach or core values, or that will enable the stakeholder to exercise undue influence over decision-making, or that significant additional reporting demands than those specified above.
- iv. Disbursements by institutional stakeholders (and all other incomes) shall be deposited into bank accounts established with the approval of the Executive Committee, and never into any individual or unauthorized accounts. The Senior Accountant shall monitor bank accounts and, after verification of disbursement, issue the respective stakeholder with an official Church receipt, as well as an acknowledgement slip that may be required by the stakeholder.

## **11.5 PARTNERSHIP AGREEMENTS**

- i. In order to better manage contract risk, ELCT shall develop partnership agreements to define roles, responsibilities and expectations for all parties involved. This shall be to ensure that all pertinent terms and conditions have been included, either in ELCT prepared agreements or in any agreements prepared by the respective stakeholder, development partner or boundary partner.
- ii. All stakeholder relationships shall be governed by a signed partnership agreement between each stakeholder and ELCT. Wherever possible, ELCT shall encourage its members to develop common partnership agreement templates. The Secretary General in collaboration with Legal Department and DSG Finance and Administration shall carefully review all partnership agreement drafts, to ensure these are consistent with the stipulations stated above. The Presiding Bishop and Secretary General shall be responsible for signing all partnership agreements, on behalf of Church. For those item

stipulated in the ELCT constitution as items putting the Church under the significant liability, the signature of the Presiding Bishop is mandatory

- iii. Originals of signed partnership agreements shall be maintained by SG and a copy in the office of the DSG Finance and Administration. Copies of partnership agreements shall additionally be filed and maintained by the responsible Accountant and appropriate executing Department and in individual partnership agreement files in the Legal Department. Copies of all partnership agreements shall be open and be accessible to all boundary partners, ELCT members, committee members, the Executive Council and designated ELCT staff.
- iv. The Secretary General shall maintain regular communication with members, with the support of the Board. In addition to the requisite reports, as stipulated herein and in the partnership agreements, the Church shall share its publications and other relevant information with its boundary partners. The Presiding Bishop is the principal spokesperson on behalf of the Church.

## **11.6 MANAGEMENT OF INCOMES**

- i. The Church shall maintain an official receipt book in triplicate that shall be printed and pre-numbered. The responsible Accountant shall be responsible for safeguarding all receipt books, whose numbers shall be recorded in stock records and whose receipt and issuance shall be clearly recorded.
- ii. Any loss or theft of receipt books shall be reported immediately to the DSG FA in writing. All receipts shall be accounted for. The responsible Accountant shall mark 'Cancelled' in bold indelible ink across all three copies of spoiled receipts, and maintain these copies in the receipt book.
- iii. The responsible Accountant shall issue an official receipt for all incomes received including retirement of unused imprest funds (except for deductions from payroll as provided for herein). In case of receipt of cash the responsible Accountant shall arrange to provide an official receipt at the time of receiving funds.
- iv. All incomes received shall be segregated from other funds and stored in a locked safe. All funds received shall be deposited intact in the Church official bank accounts that may not be used for any other purpose.

- v. The responsible Accountant shall ensure that all funds received are banked as soon as practicably possible, and at least once a week, unless the total value of funds exceeds Tshs 1,500,000 or USD 1,000, in which case, the funds shall be banked within one working day of receipt, so as to minimize risk. Stamped and signed copies of all deposit slips shall be obtained and maintained in secure files by the responsible Accountant.
  
- vi. The responsible Accountant shall maintain an accurate and updated record of all incomes within the official accounting system and produce and submit, to the DSG F/A, income reports on a monthly basis. The records shall be reconciled with the respective bank statements and show date of receipt, receipt number, name, amount, purpose, date banked and verification of deposit.

NB: Refer to the list of official income and expenses forms and records used by ELCT in conducting its business transactions.

## **12 RECEIPTS**

### **12.1 PURPOSE**

The purpose of this regulation is to establish the policies and procedures that shall guide the management on the authorization, documentation, accountability and reporting of income received through treasury office for the Church operation.

#### **Source of income**

The Church source of income shall but not limited to the following:

- Percent of the offering collected at the congregation from the entire church as determined by Executive Council and approved by General Assembly.
- Commemoration of the ELCT day. In this day, the offering from the congregation of all ELCT dioceses congregations will be submitted to ELCT Common work.
- Rental incomes – The rental income from house and buildings owned by the Church.
- Grants – These are funds from partners aimed at financing project run by ELCT
- Investment incomes – This income generated from investment other than building property i.e. dividend from shares invested, interest from fixed deposit receipts,
- Publication – The income from sell of Church publications
- Other income – income from other source other than those mentioned above.
- Donations

### **12.2 ACKNOWLEDGE**

All funds received must be acknowledged by consecutively numbered receipts and recorded in the cashbook immediately. Printing and handling of receipt forms/books must be carefully arranged and all the unused receipts shall be kept under the safe custody of the responsible officer.

### **12.3 BANK**

All funds so receipted shall immediately be banked intact to the bank not later than the following working day for crediting to the Church's bank account.

### **12.4 RECORD**

All cheques received must be recorded into the books of accounts daily in the order of the serial number of receipt. An official receipt must be issued for all monies received. The Deputy Secretary General, Finance and Administration, shall certify respective cash book on a weekly basis and ensure that the cash book are written up to date.

## **13 EXPENDITURE**

### **13.1 PURPOSE**

The purpose of this regulation is to establish the policies and procedures that shall guide the management on the authorization, documentation, accountability and reporting of expenditures of the Church.

### **13.2 CONTRACTING WITH THIRD PARTIES**

- i. As an inherent part of the procurement process, the key document that shall be created before expenditure occurs is the creation of a properly authorized local purchase orders (LPO's)/ requisition forms and/or a signed contract. Both these documents, by contracting with a third party, commit Church to a future payment.
- ii. The procurement process is described in section 16 of these Financial Regulations and in more detail in the Procurement Guidelines.

### **13.3 PAYMENTS**

- i. Payments shall only be made for bona fide expenses that further ELCT/Diocese/ELCT Institution's objectives and that are specifically included in the annual budget and have been authorized and approved in accordance with Church's authorization and approval requirements

The Payment Voucher (PV) books that are in duplicate, printed and pre-numbered shall be maintained. For accountability and proper control of financial resources, payments shall only be made against Payment Vouchers that have been approved by DSG Finance and Administration/Treasurer or Senior Accountant.

- ii. All payments must be made on serially numbered payment vouchers approved by the DSG FA/Treasurer Payment vouchers must be fully supported by relevant documents.
- iii. Payments must be recorded into the books of account on the day the cheque is issued or the money is paid in cash. The accountant responsible for posting must post all payment vouchers intact as paid. It is an offence which requires disciplinary measure for an accountant responsible to ignore the posting of the expenses paid.

- iv. To avoid double payment of the payment, all documents paid shall be stamped PAID.
- v. To avoid misplacement of document it is mandatory for every payment vouchers shall be filed properly after posting is done. It is an offence under this regulation to leave documents unfiled.
- vi. All payments to payees other than staff shall be made by crossed cheques, unless payee specifically requests in writing for an open cheque and takes responsibility of the risks associated with open cheques. Open cheques are totally discouraged to avoid unnecessary bank charges or double claims.

The first signatory to the cheque or letter to the bank shall be the One from Group A and one from Group B jointly .It shall be the responsibility of this signatory to satisfy himself/herself that the payment is proper, in accordance with the “Financial Regulations” and is within the budgetary limits.

- vii. A receipt to acknowledge payment must be obtained from the beneficiary of any payment.
- viii. To enhance understanding, transparency and accountability, and for third party and future reference, all PVs shall contain all information required and relevant supporting documentation, as specified below. No payment shall be made to third parties without an invoice (or written request for payment) or receipt if the material was purchased directly.
- ix. All persons involved in the preparation, processing or approval of PVs shall ensure that the information they provide (including supporting documentation) is accurate, truthful, pertinent and complete. In cases of doubt or concern, an Officer shall seek the advice from Secretary General or Deputy Secretary General Finance and Administration or the Senior Accountant or responsible Accountant. The specific information required to be completed during each PV step are outlined in the box below:

**1. Paid To/Address.**

Payee’s full name and address, normally with post office box number and city; Where this is not available alternate information that will enable the Payee to be tracked if needed (such as telephone contact or specific physical location), shall be noted.

**2. Payment Date**

Actual date of first writing the payment voucher (not of making the payment)

**3. Mode of Payment**

Notation of request for payment mode should be made. The options are: closed cheque (can only be deposited into an account); open cheque (in the name of a specific payee, but may be cashed); cash cheque (made out to cash that may be cashed by any bearer) and petty cash (made out for cash by ELCT, out of its petty cash funds).

#### **4. Description/Purpose**

Detailed explanation of the nature of expenditure, and its purpose and relevance for ELCT; Quantities and unit prices shall normally be noted here. If space does not allow details may be provided on a separate sheet(s) to be attached to the PV.

#### **5. Supporting Documents**

Further documentation that provides information about the relevance, purpose and particulars of the expenditure, as well as its legitimacy which Includes local purchase orders (LPO's), invoices, delivery notes, and copies of contracts, evidence of purchase or completion of work, budget line description and accounts code and any other documentation that shall help explain and justify the expenditure. Documents to be attached to the PV and listed in the description section of the PV

#### **6. Amount**

Amount to be paid should be clearly stated, in both numbers (with amounts for specific items listed separately) and words. Payments to be made in foreign exchange should be stated in the space provided (responsible Accountant should calculate value in Tanzania shillings at official prevailing rates and insert in the space provided).

#### **7. Payment Voucher Authorization Process**

Signature and date in the box provided of the officers responsible to indicate that they have fulfilled their responsibilities in relation to the PV and are satisfied that the payment should be made

#### **8. Payment and Receipt Information**

The person making payment to sign and date in box provided. The person receiving the payment to sign and date in box provided and print name in capital letters against 'Recipient Name'. The responsible Accountant should record receipt numbers and date, source of payment (bank account or petty cash from which payment is to be made), cheque number and date (if applicable).

#### **9. Post payment functions**

Check 1 & 2 boxes completed when conducting monthly reviews/preparing monthly reports by the responsible Accountant. Internal/External Audit boxes to be initialed by respective persons performing the audits.

#### **10. Notes (at the bottom of payment voucher)**

Space for explanatory notes (may be used by any officer involved in the process) to explain unusual circumstance or deviations from the norm/policies, in relation to the expenditure item; the space should be marked 'n/a', if not applicable.

- x. Whenever possible and to minimize risk, payments shall be made by closed (crossed) cheque (or bank transfer), rather than cash (please also refer to Finance Regulation 4.6).
- xi. Any amendments to PVs shall be made by placing one clear strike over the incorrect information and replacing it the correct information.
- xii. The first copy of the PV shall constitute the original and shall be filed in monthly expenditure files, together with all supporting documentation. The second duplicate copy shall be filed in serial order in a separate file established for the purpose. The responsible Accountant shall ensure all PV documents are well organized and secure.

### **13.4 PAYMENT AUTHORISATION**

In order to enhance transparency, ensure control and responsibility for departmental budgets, and strengthen accountability (checks and balances, including segregation of duties) all payments (unless specified otherwise) shall involve four levels of employees. The employee (junior) requesting the payment; the respective budget responsible; reviewed by Accountant and approved by the Secretary General/General Secretary, DSG Finance and Administration/treasurer or designated officer; the roles and responsibilities of each step level, as described in the box above, shall be as follows:

- A Head of Department/budget responsible may initiate a payment voucher/payment request and completes it where a junior employee is not available, but this should be generally avoided wherever practicable. Notwithstanding this provision, at least two different authorized employees shall be involved in signing
- The DSG Finance and Administration shall generally not approve expenditures before they are approved by the respective Head of Department or budget responsible and confirmed by the accountant that the budget requested is available in approved annual budget. Any exceptions to this requirement shall be exercised rarely and



where the DSG Finance and Administration determines it to be in the interest of Church and on the condition that the reasons for the exception are clearly documented.

- The respective Senior Accountant, Head of Department, DSG Finance and Administration may withhold authorization of payment, provided that reasons for doing so are clearly communicated, preferably in writing.
- In order to expedite payments each responsible officer involved in the authorization process shall strive to respond, as quickly as possible as and normally no later than within one working day of having received the request form.

### **13.5 PETTY CASH**

- i. There shall be maintained a petty cash funds at the offices to enable efficient payment of small expenditures for which cheque payment is not practicable.
- ii. For safety, petty cash fund limits shall be determine by ELCT Finance Council to the extent that it will be enough to run the office's sundry expenses for at list a week. The level of the petty cash shall be determine time to time depend on the volume of operation. Once the level of petty cash is determined, the determined level have to persist for not less than two years unless otherwise the office petty operations is over and above reasonable of difference of the determine amount. The level of petty cash shall be proposed by the DSG Finance to the Finance Council which will approve.
- iii. All requirements regarding expenditures noted above and elsewhere in ELCT Policies and Regulations shall apply in effecting payments from the petty cash imprest. No payment shall be made that is not consistent with these requirements.
- iv. Payment out of petty cash fund shall be made on the basis of properly authorized serially numbered petty cash vouchers. The vouchers shall be supported by bills, receipts or other relevant documents. All petty cash vouchers shall be authorized by the respective DSG Finance/Treasurer or any other officer specifically authorized by the DSG Finance/Treasurer before payment is made, the voucher is given a number and recorded in the petty cash book.

- v. The maximum limit for any payment by petty cash shall be TShs 100,000. Payments above this amount shall be made by cheque. Any exceptions to this requirement shall be exercised only rarely, where the Head of Department determines it to be in the interest of ELCT, provided that reasons for the exception are clearly documented.
- vi. Petty cash funds shall be retired at the close of each month and more often if necessary. Replenishment of petty cash shall not exceed fund limits specified. In particular, no further advance shall be made until all current advances have been retired.
- vii. Replenishment of petty cash funds in the main office shall be prepared by the responsible Accountant and approved by the DSG Finance and Administration.
- viii. The petty cash books shall be posted and balanced every day by the cashier and the balance on hand shall be physically counted and entered denomination-wise in a register. The physical cash and the balance as per petty cash book must agree.
- ix. Petty cash funds shall be separated from other funds and kept in the custody of the Cashier in a locked safe (main office), who shall be responsible for its safekeeping. All other cash deposited in the safe shall also be counted and entered denomination wise in the register. The total cash and cheques collected must agree with the cash on hand
- x. Petty cash funds may not be used or loaned for any purpose. Other than specified herein; The Senior Accountant shall conduct periodic 'spot checks of the petty cash balances. Internal audit or DSG Finance may in unmentioned day required to a spot cash count without any notification. Any discrepancies shall be documented in writing and brought to the attention of the Senior Accountant
- xi. The cashier responsible shall prepare an accurate and timely report each month of all petty cash expenditures for review and approval of the Senior Accountant and subsequent ratification by the DSG Finance and Administration.
- xii. The DSG Finance/Treasurer shall verify and vouch the entries in the petty cash books before approving reimbursement. He shall also initial the petty cash books for reimbursement. The reimbursement voucher together with the supporting documents shall be stamped "REIMBURSED" and filed.
- xiii. Petty cash account must be reconciled monthly and shall be subject to surprise cash counts, at any time, by the Senior Accountant and/or DSG Finance and Administration.

## **13.6 IMPRESTS**

- i. Imprests (funds provided in advance) may be made available to employees where precise costs of implementing an upcoming activity cannot be known, for example, field travel and workshops.
- ii. Imprests may only be requested towards the costs of implementing activities that are consistent with ELCCT/Diocese Policies and Regulations and approved plans and budgets. Imprests may only be used in relation to activities for which the imprest was granted, and may not be used for any individual or any other personal benefit.
- iii. Imprest requests shall be prepared well in advance in the form prescribed for the purpose by the employee requiring the advance. Each request shall contain a brief explanation of the activity, a breakdown of the estimated costs and the budget code to be charged. Once satisfied with these details and its appropriateness, the respective Head of Department shall recommend the imprest request to the DSG Finance and Administration, who will review and approve it, if satisfied.
- iv. An approved imprest shall normally be paid through an open cheque in the name of the employee requesting the imprest, who shall be responsible for safeguarding and accounting for funds received in an accurate and timely manner. The employee concerned shall in the course of undertaking the activity secure genuine receipts, signatures when payments are made to individuals and other documentation to demonstrate the validity of payments made.
- v. Imprests shall be retired promptly (within fourteen working days) upon the completion of the purpose for which the advance was granted and/or the concerned employee has returned to the office. The employee concerned shall retire the imprest in the form proscribed for the purpose and attach supporting documents in a clear, accurate and organized manner. The respective responsible Accountant shall scrutinize the retirement form and, if satisfied, approve the by DSG F/A.
- vi. There shall be no new advance/imprest until all previous advances/imprests have been retired and the retirement form approved by the DSG Finance and Administration/Senior Accountant. Advance/imprest shall be retired within seven days from intended activity is completed.

- vii. In cases where approved actual costs exceed the imprest amount the exceeded amount shall promptly be reimbursed to the concerned employee. In cases where approved actual costs are less than the imprest amount the employee shall promptly reimburse the difference to the office. The responsible Accountant will issue an official receipt for the amount received, which the amount returned shall be banked intact.
- viii. The responsible Accountant shall maintain accurate and updated records on imprests at all times. Each imprest shall be assigned a unique serial number and recorded in a register established for the purpose. The responsible Accountant shall also produce an accurate imprest report each month that shall note all outstanding, new and resolved imprests that occurred that month and forward it to the DSG Finance and Administration/Treasurer.
- ix. PVs for issuance of imprests shall be assigned a special imprest budget code (holding code). Upon retirement of imprest the responsible Accountant shall be responsible for recoding so as to ensure the appropriate budget codes are accurately charged.
- x. Imprests account must be reconciled monthly and shall reviewed by the Senior Accountant and/or DSG Finance and Administration.

#### **OTHER PAYMENT METHODS**

- i. From time, with the prior approval of the Executive Council and Finance Council, the DSG Finance and Administration after approval by SG, may arrange for other payment methods, including payment using Internet Banking, Debit Cards; Wire Transfers (Western Union) and payment by Mobile Telephone, for example, M-PESA TGO PESA or Airtel Money.
- ii. In all such cases, the approval and authorization procedures shall follow the guiding principles, laid down in these Regulations, shall be documented and included as an appendix to these Finance Regulations. Any amendments and/or new methods of payment shall be included as an additional appendix to these Regulations.

#### **PAYMENTREQUISITION FORM**

- i) A requisition form is the form used to request fund to be used for a prescribed activity either within the cost budget line or from an authorized cost line out of the budget. The request should be done by the budget responsible officer using internal memo attached with necessary supporting documents. The form has for line:

- Requested by – to be signed by a responsible officer undertaking the task from respective department.
- Budget responsible – to be signed by the budget responsible officer after satisfied on the supporting documents attached. All supporting documents must be initialed by the responsible person to satisfy of their legality and genuineness of the payment.
- Checked by – to be signed by the accountant who verified on the completeness of the documents attached to the form. The accountant shall initial in the documents checked to ensure that they are complete and genuine.
- Authorize by – be signed by the DSG Finance and Administration or Senior Accountant after satisfy that all attachments are complete to allow transaction to go through.
- No payment is done without this authorization processes. Any payment done without this process shall be counted as incomplete and therefore signatory is not bound to sign the cheque or endorse this payment.
- All emergency shall be approved by the Secretary General.

#### **IMPREST FORM**

- i) Funds taken for the purpose of not specified payees are to be paid as imprest shall fill an imprest form. The imprest form shall state the purpose of the payment or activities. All authorization process shall be followed as shown in the imprest form. Imprest form shall form part of the internal request form but shall not substitute payment requisition form which also have the approval process.

#### **LOCAL PURCHASE ORDERS AND CONTRACTS**

- i. This section should be read in conjunction with the requirements for approved local purchase orders (LPO's) and/or contracting requirements, described in section 16 on Procurement contained in these Finance Regulations
- ii. All local purchase orders and requests for delivery of goods and non-consulting services by ELCT/Dioceses shall either (a) be written on the standard pre-printed LPO (containing the

terms of reference on the reverse side), or (b) on the standard ELCT/Dioceses contract for the supply of goods and non-consulting services.

- iii. For the consulting services, request for services shall be included on the contract for consulting services containing the ELCT/Dioceses standard terms and conditions for all consultants.
- iv. Local purchase orders and/or contracts shall only be awarded to persons or entities that are deemed to be capable of performing the work with quality and for the best value for money. As described in the Procurement Guidelines, the selection of the entity/person awarded the contract shall be through tendering process.
- v. As part of the Procurement process, ELCT/Dioceses shall maintain a database of approved suppliers for goods and non-consulting services and a database of approved consultants for consulting services. LPO's shall only be issued and contracts shall only be signed with entities that appear on one of the relevant approved lists through tendering.
- vi. Local purchase orders and/or contracts shall only be awarded for work that is consistent with approved plans and budgets.
- vii. The preparation of LPO's shall normally be initiated by a Head of Department. The preparation of contracts shall normally be signed by the Secretary General
- viii. When the approval of the Procurement Committee for the purchase of goods and services is obtained, the Officer responsible shall prepare either (a) a standard pre-printed, sequentially numbered LPO or (in conjunction with Head of Department) (b) a contract, in compliance with one of the two standard ELCT/Diocese templates. There is one template for suppliers of goods and non-consulting services and another template for providers of consulting services.
- ix. In the case of a contract, the Officer responsible shall take care to ensure accuracy and comprehensiveness and assign the contract a sequential serial number. The Legal department and DSG Finance and Administration/Treasurer shall review the contract and, if satisfied, request SG to sign and stamp three printed copies. The Officer responsible shall then record the contract in the contract register, established for this purpose, and arrange to have it signed by the contractual parties and witnessed.

- x. The Officer responsible shall provide one original to the contractual party, file a second original in the contracts file maintained in the office of SG; and provide the third original to the DSG FA for filing in the file established for the purpose. The Officer responsible shall also arrange copies of the contract to be made and provided to the relevant Head of Department.
- xi. In order to effect payment, a copy of the signed contract (and an original of the invoice or request for payment) shall constitute an integral and necessary supporting document for the PV.
- xii. The Officer responsible shall each month prepare an accurate report of all new and outstanding contracts, and the status of each, and forward this to the DSG Finance and Administration.
- xiii. The Procurement Committee, as part of its essential documentary evidence, shall arrange to maintain a Register of Approved Suppliers and a Register and Database of Approved Consultants, each register shall record at least the following details:
- Goods/services contracted;
  - Contract reference number
  - Contact details of parties;
  - Period of contact; start and end date; date contract signed and signed by;
  - Value of contract and critical payment terms
  - Reporting and compliance clauses;
  - Notice period of contact and renewal period;
  - Supplier/consultant risk classifications;
  - Summary of any other significant terms and conditions that need to be complied with;

- Supplier/consultant performance assessment.
- xiv. All legal agreements, for example, leases for rent and any other formal legal agreements, as well as statutory agreements, should be drawn up/approved by Church's legal advisor.
- xv. Please refer to the Human Resources Policies Manual for examples of other key contracts, including Employment Contracts.

The safe custody of all contracts shall be the responsibility of the Legal department.



## **14 PAYROLL**

### **14.1 PURPOSE**

The purpose of this regulation is to establish basic guidelines for the effective management of the Church payroll. These regulations shall be read in conjunction with Human Resources Policies Manual.

### **14.2 EMPLOYMENT CONTRACTS**

- i. Only employees with valid contracts, who are working or who have taken authorized leave of absence, shall be included on the Church/Diocese payroll.
- ii. In addition, as part of certain restricted projects, there may be non-ELCT employees included in monthly payroll and employed directly by ELCT (in which case they are treated like ELCT employee on the standard employment terms and conditions) and their costs are subsequently recharged (indirectly) to the project. These employees will require a dully signed contract.
- iii. Alternatively, people may be employed by the project directly (and charged directly) on similar terms and conditions to the ELCT terms and conditions. In this case, the Human Resources Officer in consultation with DSG Finance and Administration shall be responsible for ensuring that the employee's specific terms and conditions of employment have been complied with. In any case there will be signed contracts for those employees as well.

### **14.3 PAYROLL AUTHORISATION**

- i. The payroll shall contain and be consistent with the provisions for salaries and benefits stipulated in the Human Resource Manual and the signed employment contracts.
- ii. The responsible Accountant shall be responsible for maintaining, updating and preparing the monthly payroll, and of ensuring its accuracy and integrity. This responsibility shall include compliance with all legal and tax requirements (and their amendments as may be

made from time to time), as well as the ELCT Human Resource Manual and these Finance Regulations.

- iii. The responsible Accountant may only make additions or deletions to the payroll master data (for example, name changes, changes in the level of salaries or benefits, or any other substantive change), where the amendment is supported by approved written documentation by the Secretary General. The responsible Accountant shall clearly explain in writing all such changes and any other anomalies in relation to previous month's payroll.
- iv. All the monthly payrolls records, including notes on any changes or anomalies, shall be approved and signed by the Senior Accountant and subsequently ratified by the DSG Finance and Administration.
- v. No ELCT employee shall be paid salary or other related benefits, outside the payroll, except as provided in the Church Human Resource Manual or these Finance Regulations.

#### **14.4 PAYROLL FEATURES**

- i. The Church payroll shall contain the following information: name of employee, position, department, salary grade, basic salary, allowances, pension payments, PAYE, other deduction, tax rates and net pay calculations.
- ii. The payroll shall be directly linked to the generation of pay slips, which shall provide all basic information noted above.
- iii. For the categories noted above, the payroll system to be used shall automatically record and calculate accumulated amounts for the year to date.
- iv. The payroll system shall also provide information in a clear, transparent and easy to follow manner, and enable queries to be resolved simply and easily.
- v. Any payroll and payroll-related information is strictly confidential. This information shall only be made available to the members of the Finance Council, the Secretary General, the responsible Accountant(s), the Human Resource Officer and any statutory bodies. Any other requests for the payroll information must be referred to the DSG Finance Administration.

## 14.5 PAYROLL PROCESSING

- i. Payments shall usually be effected on the 25th day of each month, or the prior working day, if the 25th day of the month is a public holiday. The Secretary General may authorize the payroll payment for December to be made earlier in than normal so as to enable employees to receive payment, prior to commencing the holiday season.
- ii. Salaries (and other cash benefits) shall be designated and paid in Tanzania shillings.
- iii. Salary advances and loans, other than those specified herein, shall not be permitted.
- iv. All officers involved in the payroll process shall strive to fulfill their functions in a timely manner so as to ensure payment shall be made in time. The responsible Accountant shall submit the payroll to the DSG FA for approval at least three to five working days prior to the date of payment. The Administrator shall submit to the responsible Accountant information, regarding contractual changes, and other relevant data, at least six to eight working days prior to the date of payment.
- v. By default, all payroll payments shall be made by cheque. A printed salary slip shall be produced each month for every employee. Employees, who chose to maintain their accounts at a bank, other than the Church designated bank shall be responsible for any delays caused during the transfer process. The responsible Accountant shall, where necessary, seek concessionary terms from relevant banks involved, so as to minimize bank transfer costs. In exceptional circumstances, where an employee does not have a local bank account, the Church may, for temporary periods not exceed three month, arrange for payment by open cheque.
- vi. The responsible Accountant shall prepare and effect all necessary monthly statutory payments in an accurate and timely manner within seven days from salary payment date. These procedures shall include the payments to the relevant authorities, for income tax (PAYE) NHIF, Worker Compensation Fund (WCF) and pension payments. Where applicable, any imprests and advances shall be adjusted in the payroll records.
- vii. The responsible Accountant shall prepare accurate statutory annual reporting requirements for approval by the Senior Accountant. The responsible Accountant shall also arrange to transmit these reports in a timely manner, including any consolidated annual reports, for other payroll-related matters.

- viii. The responsible Accountant shall calculate benefits and liabilities that apply to any employee whose contract has ended or is about to end. The responsible Accountant shall ensure that final settlement of salaries and benefits is only effected after all debts have been settled, in accordance with these provisions and the Human Resources Policies. The final settlement shall be approved by the Senior Accountant.

## **14.6 SALARY ADVANCES**

The Church shall exercise conservative salary advance policies. Granting of salary advances is not a right and shall always be at the sole discretion of the Secretary General shall be limited to relatively small amounts recoverable within three months. Deduction shall not be beyond forty percent of the monthly salary and should not exceed three-month salary.

Church employees shall be eligible to be considered for salary advances in the following circumstances only:

- For additional employee costs of health insurance, exceeding the level provided by the Church;
  - For paying rent for employee's housing;
  - For paying school fees for any dependent children of the employee;
  - For paying further education fees of the employee;
  - For other uses that may be determined by the ELCT Management, from time to time.
- i. Granting of salary advances as noted above, shall be further subject to the provision that no advance shall exceed three months "net take-home" salary.
- ii. Salary advances, as specified above, shall not constitute a right and the ELCT Management upon consultation with the DSG Finance and Administration, may suspend or decline any advance request, where he/she determines that the refusal is in the best interests of Church. In such cases, for example, the lack of available funds, the decision should be documented and explained to the employee. In making such determination, the DSG Finance and Administration (Treasurer) shall exercise consistency and fairness.
- iii. Salary advances provided to employees shall be automatically recovered through deductions in monthly payrolls. Health insurance top-up and housing rent recovery shall be according to a schedule to be determined at the time of requesting the advance.

Subject to the provisions of section 8.6.6 below, the advance shall be fully repaid within the Church calendar year, but in any event, no later than November of each year, so as to avoid carrying the advance receivable into the next financial year.

- iv. At the sole discretion of the Secretary General, employees who join the Church towards the end of the calendar may be given dispensation to the requirement of repaying any rental advance, as required, before the end of the financial year upon her/his request.
- v. The Accountant shall be responsible for producing accurate and timely reports on salary advances to staff, each month and for submitting these to the Senior Accountant for review and approved by DSG Finance and Administration. Full written documentation shall be attached to the payroll records and maintained in organized files at all times. Monthly pay slips shall clearly indicate the amount and description of the deduction and the balance remaining
- vi. An employee shall be responsible for settling any and all outstanding liabilities owed by the Church before claiming final settlement of salaries and benefits. The Human Resource in consultation with Senior Accountant shall be responsible for ensuring that all outstanding salary advances owed by the employee to the Church are settled before effecting the termination payment of salaries and benefits.
- vii. Each employee shall ensure that he/she does not incur debts to the Church that he/she is unlikely to be able to repay on time
- viii. The Church shall not provide advances or loans to any employee for any purposes not specified above.
- ix. ELCT/Dioceses shall not incur any obligation through guarantees to third parties (such as banks) for advances, loans or other facilities/services obtained by an employee. In case an employee is to be guaranteed by the Church, it has to be to the level of ensuring that salaries shall be submitted to the bank. In any case where an employee cease to be an employee, the Church will not be responsible for any liabilities left by any employee.

## **14.7 CONSULTANCY PAYMENTS**

- i. The consultant shall initiate the process for payment, in accordance with the terms and conditions stipulated in the contract, and submit an invoice/request for payment, with reference to the contract, and forwarding the documentation to the Head of Department

initiated the assignment. The Head of Department shall scrutinize the request including whether terms and conditions were fulfilled, if satisfied, a ELCT payment request shall prepare signed by the heads of department as budget responsible attached with supporting documents and submitted to Finance. An accountant shall review whether all documents required are attached by initial all the document and sign the request. The request with all attachments shall be forward to the DSG Finance/Officer authorized who also will review and sign for final approval.

- ii. Payments to consultants and other short term (casual) employees of Church shall be commensurate with the terms of their consultancy contract and the Church shall be obligated to comply with Tanzanian income tax laws requirements.
- iii. In particular, ELCT/Dioceses shall ensure that where required under the Income Tax Act, withholding tax is deducted at source and remitted to the Tanzania Revenue Authority (TRA).

## **14.8 INTERNSHIP STIPENDS**

- i. Persons/Students participating in the internship program in the Church shall normally be eligible to receive a flat daily stipend (as compensation for estimated transport and other costs incurred in the course of performing the internship) for twenty one day a month. The rate shall be determined by the ELCT Management. However, for interns who work 30days minus one off day will be paid a flat stipend allowance for thirty days.
- ii. The intern shall initiate the process at the close of the month by reporting on activities done and outputs achieved, submitting an request for payment with a copy of contract, and forwarding it to his/her Head of Department. The Head of Department shall scrutinize the request and, if satisfied, forward the recommendation and supporting documents to the Head of Department responsible for the internship programs, who will arrange for a PV to be written and payment to be effected.
- iii. Interns are allowed to work in the Church for a maximum of one year broken into six month. Interns shall not automatically be employed regardless of their performance and requirement of the Church for the position. In case the Interns performed well and the Church is interested to employee, then the normal employment procedure shall be followed as stipulated in the Human Resource Manual

- iv. A file for interns shall be maintained in the Human Resource officer of whom a data base is established for interns of all disciplines. If a department needs an intern shall forward their demand to ELCT Management who will pick the Interns from the data base on the First in First method.

## **15 PER DIEM RATES**

### **15.1 PURPOSE**

The purpose of this regulation is to establish the conditions under which employees (and partners) shall be eligible to receive per diem payments and provide for the levels and terms of these benefits.

### **15.2 ELIGIBILITY AND COVERAGE**

- i. ELCT/Dioceses per diem rate shall generally be paid to employees who are travelling on duty and are required to spend the night away from their normal station. Employees, who are out-of-station for a long duration but do not spend the night-of-station, shall not receive per diem payments. Instead these employees shall be eligible for meal or transit allowances, as described below.
- ii. ELCT/Dioceses per diem rates shall be applicable for all employees, regardless of position or status. The identical per diem rates shall generally apply for non-employees. For example, Steering and Councils, Board Members, non-executive members, members, boundary partners, employees and Tanzania-based consultants shall use the rate determined by Church.
- iii. The per diem shall cover the cost of accommodation, meals, communication, laundry and all incidentals. The cost of transport and other expenses directly incurred when undertaking officially assigned duties shall be additional to the per diem rate. These costs shall be incurred by the Church.
- iv. In cases where actual costs incurred are below the per diem rate provided, the employee shall retain the difference. In cases where actual costs incurred are higher than the per diem provided, the employee shall be responsible for the difference. In the latter case and in exceptional circumstances, the employee concerned may request the Secretary General to pay the difference, where it can be demonstrated that actual costs were higher than provided and there were no other reasonable alternatives available. In such cases, the Secretary General shall consult the DSG FA to make a fair and final determination; the reason for authorizing the payment of the difference shall be documented.



- v. The per diem rates established herein shall normally not apply in circumstances where the employee is out of station in one location for 15 or more consecutive nights. In such cases, the employee shall be provided with a per diem amount calculated on the basis of estimated costs of reasonable accommodation, as determined by the DSG Finance and administration in consultation with the Senior Accountant and approved by SG. This decision shall be approved by the Secretary General on a case-by-case basis.
- vi. An employee travelling on duty, who does not spend a night away but is, required to be out of station for eight or more consecutive hours, shall be eligible to receive a flat transit rate. Alternatively, the employee shall be eligible to be reimbursed the actual cost of breakfast, lunch or dinner taken, supported by receipted bills, and on the condition that the amount claimed is reasonable.
- vii. When accommodation and meal costs of an employee travelling on duty outside Tanzania are paid directly by another organization, the employee shall be eligible to receive a flat stipend for one international, to cover purchase of appropriate clothes and other incidentals. For this purpose, East Africa is not considered to be international.

### **15.3 RATES**

- i. Per diem rates and any other allowance, as described above, shall be based on careful estimates of actual costs of staying at a reasonable, clean and safe hotel and not treated as a mechanism for enhancing employee incomes.
- ii. Per diem and other allowances and the basis of their calculation, shall be proposed by the Senior Accountant considered by the DSG Finance and Administration and other members of the ELCT Management and approved by the Finance Council. The proposal of the DSG Finance and Administration and reasons for it shall be documented and shall be approved by the ELCT Management and subsequently ratified by the ELCT Finance Council.
- iii. In exceptional cases, where it is not possible to cover reasonable costs at the above laid down rates, employees may explain the circumstances in writing and request to be reimbursed the difference in costs against actual receipts. In such cases, the HOD shall determine the merits of the case and, if appropriate, in consultation with DSG Finance and Administration request approval from SG.

- iv. Where there is lack of clarity in the interpretation of these provisions, the DSG Finance and Administration shall seek the opinion of the employee concerned and of the Senior Accountant or Treasurer. The Secretary General shall then take both view-points into consideration, before making a final determination that is fair and consistent, provided that the decision and reasons for it are documented.
- v. The Secretary General is the final approval of the payment made to the all staffs. Approval of the where the concerned employee is the Secretary General stands to benefit personally from the decision, the final determination shall be made by the Presiding Bishop and when the decision needs to be made is significant that will alter the financial implication the Finance Council/Executive Committee shall be consulted.
- vi. **Rates:**

<b>Region</b>	<b>Meals</b>	<b>Accommodation</b>	<b>Incidentals</b>	<b>Total</b>
District/Town	30,000	50,000	20,000	<b>100,000</b>
Region/Cities	40,000	60,000	20,000	<b>120,000</b>
Driver	30,000	50,000	20,000	<b>100,000</b>
International	\$50	\$150	\$100	\$300
Outfit Allowance (EA)				\$250
Outfit (Other)				\$350
Pocket Money (EA)				\$300
Pocket Money other				\$400

The above rates are subject to change depending on changes on inflation and cost of living and all changes shall be approved by the Finance Council/Executive Committee.

### **Safari day allowance (SDA)**

This is the amount paid when an employee who travels on duty and returns to duty station the same day. This is typically meant to be a duty-enhancing allowance. Minimum duration of travel may be specified (i.e. at least 6 hours) where while on travelling the lunch hours will be crossed.

<b>Region</b>	<b>Meals</b>	<b>Incidentals</b>	<b>Total</b>
Districts	25,000	0	25,000
Cities	25,000	0	25,000
International	55,000 ((\$25)	20,000 (\$10)	75,000 (\$35)

### **15.4 SITTING ALLOWANCE**

This refers to the amount paid to the officer who is appointed to “sit” on the Church meetings, commission, committee, or interviewing panel. The Church work is a voluntary work and therefore all meeting called by the Church shall not bear any sitting allowance. However, member shall be refunded for their travel and on transit allowances determined time by time by the Finance Council and ratified by the Executive Council.

Institutions and companies under Church shall determine their sitting allowance basing on their budgetary strength and authorized by the Executive Council/Board or Universities Council for Universities under the Church.

### **15.5 CONTRIBUTION OF THE CHURCH TOWARDS SOCIAL EVENTS**

The purpose of this guideline is to demonstrate the commitment of the Church to the employees and the member towards social problems i.e. death or any other disaster that may occur during his/her working with the Church. The Church will only deal with the following situation:

1. Death of the worker
2. Death of the biological/adopted child of a worker
3. Death of the wife/husband of the worker
4. Death of the parents of a worker or parents of the spouse.
5. Any Disaster that will directly affect the member i.e. earth quick, fire, floods e.t.c

The items mentioned above shall be dealt as per staff regulation manual.

## FAREWELL

The purpose of this guideline is aimed to guide the Church on the procedures to be followed when preparing a farewell to the Church staff member whose tenure is coming to an end by retiring or by termination/end of his/her contract of secondment. This is to demonstrate the commitment of the Church to the employees who worked for the Church. The church shall provide a gift of farewell to the following officers as shown in the schedule:

EMPLOYEE	PRESENT
Employee of the ELCT common work	<p>The office will provide:</p> <ul style="list-style-type: none"> <li>• Permanent employees, a severance allowance equals to on month salary divide by twenty eight time year not exceed 10 year of an employee staying.</li> <li>• Contract employees, a gratuity of 15% of his/her salary from the year of started the contract to the year of dispatcher less government taxes.</li> <li>• All employees will also be provided with a handshake of three month salary.</li> <li>• Transport of staff belonging to the nearest town of domicile.</li> <li>• Transport of family members using public transport to the town of domicile.</li> <li>• The staff will also be given a present which will not exceed Tshs 200,000 in total. The present shall be determined by ELCT Management. A present will be presented to the employee in a very short party. The cost of the party shall not exceed Tshs 500,000.</li> </ul>
The Bishop of the Diocese	The office will provide Tshs 1,000,000 which will be present by the Presiding Bishop or the representative.
Dioceses and ELCT Institution	Dioceses and other ELCT institution and companies will apply their own system which will be approved by their dioceses or institution governing bodies.

## **16 PROCUREMENT**

### **16.1. PURPOSE**

The purpose of this policy is to enable ELCT to procure quality goods and services at the least expensive price, using Value for Money (VFM) principles, in a manner that is efficient, transparent, accountable and consistent with best business practices. This policy articulates the guiding VFM principles, roles, authority levels and main procedures to be used during the procurement processes at ELCT/Dioceses.

### **16.1 PROCUREMENT COMMITTEE**

ELCT CW shall establish a Procurement Committee, whose terms of reference shall embody and incorporate the guiding principles set out in this section of the Finance Regulations.

The general principle shall be that all procurements for the church shall be through a tender process and shall be considered by the Procurement Committee.

### **16.2 GUIDING PRINCIPLES**

- i. Evangelism: ELCT CW shall purchase goods /services that promote the main objective of the church which is Evangelism or any company with competing goods and services that achieve the same function and value for money outcomes.
- ii. Cost effectiveness: ELCT CW shall obtain quality and reliable goods and services at the least expensive (best) price. Competitive and independent quotes shall be solicited when more than one supplier is available, and offers and tenders shall be reviewed objectively. Transaction costs involved in procurement shall be taken into account in determining costs.
- iii. Transparency and documentation: Criteria used by ELCT shall always be transparent. Price comparison forms shall be used to ensure that a competitive price is obtained in the most transparent way. All documentation related to procurement shall be kept in secure files. Relevant documentation includes: quotes, invitation to tender, tenders, the tender evaluation record and the final decision, as well as the payment voucher (PV) and all supporting documents. Documents shall be kept securely for a period of seven years.
- iv. Non-discrimination: ELCT is an equal opportunity organization, and shall not discriminate against any supplier on the basis of race, ethnicity, age, sex, sexual orientation, marital

status, origin, disability, creed, political belief, religion or health status in procuring any product or service. Procurement from any supplier who is related to a Church employee or Board/Council/committee member should generally be avoided. However in any cases where it force to be used, a fully disclosure of conflict of interest shall be declared openly and absent her/himself during the procurement decision process.

- v. Zero-tolerance for corruption: ELCT shall exercise zero tolerance for corruption in all matters, including procurement. Due the actual or perceived conflict of interest that may arise, no ELCT employee, Board/Council/committee member, may benefit or seek to benefit in any way whatsoever from any procurement. Any ELCT employee, Board/Council/committee member, who is offered any inducement, payment, gift or other reward to influence the procurement process, or is aware of another employee being involved in the procurement process, shall report the matter immediately to the Deputy Secretary Finance and Administration or to the Secretary General or to Finance Council Chairperson.
- vi. Accountability: All persons involved in the procurement process, including procurement officers, managers, DSGs, the Secretary General or Director (in the directorate) shall seek to ensure that both the letter and spirit of the procurement policy is adhered to. The SG shall exercise final scrutiny to ensure procurement is consistent with Church policies and DSG FA shall ensure compliance with procurement procedures before an order is placed and/or payment is made. All procurement decisions and documentation shall be subject to scrutiny.
- vii. Pre-purchase or acquisition of services prior to procurement processes is prohibited. If anyone pre-procure goods or services from supplier without procurement processes, the liability related to acquisition of such a good or service will be bared by the person acquired the good or services.

### **16.3 LOCAL PURCHASE ORDERS AND CONTRACTING**

- i. The two key documents in the procurement process are the ELCT pre-printed local purchase order (LPO) and/or a standard contract. A signed LPO contains all the ELCT standard terms and conditions on the reverse side, and based on legal advice, will be considered to be a contract by third parties. Alternatively, if a signed LPO is not issued a standard ELCT contract shall be prepared and signed. Consequently, as described in the

ELCT Procurement Guidelines, both these documents contract ELCT to future expenditure.

- ii. Local purchase orders and/or contracts shall be used for the supply of goods and non-consulting services. In the case where a contract is required for goods and non-consulting services, the standard contract, included in the Procurement Guidelines shall be used.
- iii. As also described in the Procurement Guidelines, where consulting services are required, the standard contract for the procurement of consultancy services shall be used.

## **16.4 PROCUREMENT AUTHORITY LEVELS**

- i. As a general rule the Tender Committee will process tenders for services and goods, specified assets and works where the value exceeds Tshs. 50,000,000/=. Goods and services, whose value is less than Tshs. 50,000,000/= shall be procured by the management through comparison of at least three quotations.
- ii. Recurring purchases: Regular major purchases include (but not limited to) stationery and travel services worth over Tshs 1,000,000 (\$500) per items equals to 10million per year, bids from at least three suppliers shall be solicited once each year. If the supplier has to be selected to carry on the supplies for more than six months three suppliers who two of them shall be approved by the Procurement Committee. The selected supplier shall normally be used for all relevant purchases for a specified period not exceeding 12 months.
- iii. Other suppliers can be used to purchase goods and services, if that supplier is able to secure comparable quality and reliability at more favorable terms and conditions. Three quotations shall be sought and a decision of the Procurement Committee shall be obtained.
- iv. Non-recurring purchases under Tshs 1,000,000 (\$500): Competitive quotes shall be secured from at least three suppliers.
- v. Non-recurring purchases which is not exceed 50,000,000 per item the independent quotations from not less than three independent suppliers. Tender committee shall handle the procurement.

- vi. Publications: Price bids for publications shall be requested each year from at least three reliable printing companies. Based on these bids, a list of printers (not less than two) that provide quality and reliable services at the best prices shall be selected and deemed as pre-qualified printing suppliers for a specified period not exceeding 12 months. Quotes for printing shall then be requested from pre-qualified printing suppliers for each order. Quotes shall be compared and decision made, as for non-recurring purchases.
- vii. Larger purchases: All non-recurring larger purchases over Tshs 50,000,000 (\$25,000) shall require a tender, which may or may not be advertised in the newspapers. Bids must be sought from at least three suppliers. All tender awards shall be analyzed by the Procurement Committee approved by ELCT Management.

## **16.5 TENDERS/PROCUREMENT PROCESSES**

- i. Tender documents shall contain all relevant information, including technical specifications, terms of reference and commercial terms and conditions. Such terms and conditions shall include the time frame for the provision of the goods/services.
- ii. To ensure that all tendering companies have equal footing in the process, tenders shall be required to be submitted in sealed envelopes, which may only be opened at the time the evaluation is performed.
- iii. Tenders shall only be assessed on the terms and conditions specified in the invitation to tender. The recommendations of the Procurement Committee shall be documented, as specified in the Procurement Committee Procedures Manual.

## **16.6 TENDER COMMITTEE**

There shall be a tender committee whose members shall be five comprised of a relevant technical expertise and Legal Advisor. The Deputy Secretary General, Finance and Administration, will be the secretary of the committee. The tender shall comprise of two independent officers invited on their professional back ground depend on the items to be procured. The legal advisor shall be one of the invited.

The two invitees shall be invited by the Secretary General/General Secretary in consultation with ELCT/Diocese/Institutions management. The name of the officer to be invited shall be determined



in the management meeting. If institutions have its own retained lawyer he/she will cover the legal aspect and therefore another technical personal shall be invited.

The following are the staff members in the tender committee;

- i) The Deputy Secretary Mission and Evangelism
- ii) The Deputy Secretary Finance and Administration (Secretary to the committee)
- iii) The Deputy Secretary Planning and Development
- iv) The Deputy Secretary Social Services and Women's Works
- v) DSG Mission and Evangelism
- vi) Director/project coordinator of department to which tender item is required.
- vii) One invited guest with the related field of the item tendered.

The Chairman of the Tender/Procurement Committee shall be the DSG Mission and Evangelism.

In order to avoid cost and delaying of projects, the tender committee shall deal with all procurement of the projects above 500million. Other project procured project to be dealt by procurement committee

## **16.7 PROCUREMENT COMMITTEE**

There shall be a procurement committee whose members shall be seven comprised members from extended ELCT management (includes all directorates). The Deputy Secretary General, Finance and Administration, will be the secretary of the committee. The procurement committee can invite an expert in the related field to assist on the procurement and the chairperson will be appointed as the meeting set in order to avoid conflicts of interest. The member shall be:

- i. DSG Mission and Evangelism
- ii. DSG Planning and Development/project officer
- iii. DSG Finance and Administration/Treasurer
- iv. Director/secretary for women
- v. Director/secretary for health
- vi. Director/secretary for Education
- vii. Human resources officer
- viii. Expert in area of the field.

The committee will deal with all procurement of items less than 500million. The report shall be presented to ELCT/Diocese management for decision making.

## **16.8 CONFLICT OF INTEREST**

Persons sitting in the Tender Committee must declare any conflict of interest in the tender being discussed. A person or relative of the person, with conflict of interest shall vacate the meeting where the issue will be discussed.

## **16.9 DUTIES OF THE TENDER COMMITTEE**

To receive tender and hold tender openings (in public or otherwise), review tender evaluations and recommend to Church management an appropriate award of the tender.

To review the applications of variations, or amendments, rose in the cause of ongoing project which exceed the lay down limits of the ongoing contracts where the original contract as previously approved.

To review and approve for disposal by tender of all assets where the estimated value of the assets under consideration exceeds the limit of the General Secretary and the Treasurer.

NB: All disposals of assets shall be approved by the Board of Trustee of the Church.

The Church will establish a list of shortlisted vendors who would supply frequently procured goods and services. List of shortlisted vendors will be reviewed and approved by the ELCT Management.

The shortlisted vendors shall be revised from time to time, to ensure price competitiveness and suppliers reliability.

Handles all procurements for the Church by whatever means they think appropriate taking into account value for money.

## **16.10 POWER OF THE TENDER/PROCUREMENT COMMITTEE**

In exercising their powers, the tender committee may:

- (a) Call for such information and documents as they may require from any person.
- (b) Commission any studies relevant to the determination of award of contracts, and

- (c) Request any professional or technical assistance from any appropriate person in Tanzania or elsewhere.

The tender/procurement committee shall strive to achieve the highest standard of equity, taking into account.

- a) Local and International markets have to be considered in effort to acquire goods and supplies of highest quality.
- b) Fairness of treatment to all parties.
- c) The need to obtain the best value for money in terms of price, quality and delivery having regards to set specifications and criteria.
- d) Equality of opportunity to all prospective suppliers, contractors or consultants.
- e) Known Church authorized agent overseas and approved by the Church officers.

All tenders for Capital Goods and recurrent expenditure exceeding Tshs. 100,000,000 shall be referred to the authorization limits as prescribed in the this regulation in section 8.4 above.

Under special circumstances where an asset of this nature has to be procured urgently, permission shall be sought from the Church management in writing and ratified at the subsequent of the Executive Committee.

## **16.11 TENDERS/PROCUREMENT PROCEDURES**

At least a minimum of one month from the date of the first tender advertisement should be allowed for tenders to prepare and submit their tender applications.

Notice issues for tenders must be brief and explicit. No alterations shall be made to the terms after the tenders have been floated. In case changes are necessary, amendment be communicated to all tenders/and if necessary/extend deadline for submission.

Telegraphic tenders will not be accepted. Where samples of products offered are required, this should be stated in the advertisement. Two samples of each product should be supplied one for retention until the completion of the contract and the other to be subjected to tests and examination by an expert.

In order to exercise fairness and transparency at least three suppliers or quotations shall be required in order to ensure competitive price.

### **Receipt of Tenders**

All tenders, which should be in sealed envelopes received either by post or by hands must be dropped into a special locked tender box.

Where tenders are of significant size received by an authorized officer who should initial and then stamp the envelope with an official date stamp immediately they are received and then drop them in the tender box.

Immediately after the deadline, the box shall be cleared and the tenders opened by the Secretary to the tender committee before the members of the committee who will all initial the tenders.

All documents related to the tender shall be treated as confidential all the time and may only be handed, or content thereto communicated to officers responsible for dealing with them.

### **Considerations of a Tender**

All the tenders listed shall be considered by the tender committee together with the recommendation from a consultant if necessary and the following points be observed:

- (a) Any qualification criteria shall be made known to, and shall apply equally to all suppliers, contractors or consultants and the Church shall impose no discriminatory criteria, requirement or procedure with respect to the qualifications of any supplier, contractors or consultants.
- (b) The Church may engage in pre-qualification proceedings with a view to identify suppliers, contractors or consultants either prior to invite tenders for the procurement of goods works or services or after taking part in any other procurement proceedings, and
- (c) The Church may, when procuring goods, works or services by means of international tendering, or when evaluating and comparing tenders, grant a margin or preference for the benefit of tenders for certain goods manufactured, mined

extracted or grown in the United republic, for works by Tanzania Contractors or services provided by Tanzania consultants, provided that this is clearly stated in the tender documents.

The Tender Committee needs not to accept the lowest bidder if it is considered not to be in the Church's interest and the reasons for the decision must be recorded in the minutes. Price shall be only among of the listed criteria for awarding a tender.

In special circumstances where the tender committee feels it is in the Church's interests. It may empower the Secretary General/General Secretary to negotiate for supplies in the open market and the reasons for the decision will adequately be minute during the tender committee meeting.

The Secretary General/Deputy Secretary General/ General Secretary/Treasurer will inform all the successful tenders immediately after the tender committee accomplishes the consideration of the tender applications.

Similarly, the unsuccessful tenders will have to be notified by the Secretary General/Deputy Secretary General Finance and Administration/ Treasurer immediately after the tender committee meeting and after approval of the Church management that the applications have not been successful.

### **Approval limits**

Expenses: Management is able to authorize expenditures to the tune of the approved annual budget. Investment Assets: In for the procurement to up to Sh. 150,000,000/= management can authorize and present to Finance Council for information.

### **Building Contracts:**

For Construction Works, the Church shall strive to follow procedures adapted from the National Construction Council (NCC), Public Procurement Regulatory Authority (PPRA), and other International Standards and institutions which deal with Construction which are considered to be best practices.

Contracts for the construction or repairs of buildings shall be in writing in an approved form and executed under the common seal of the Church. Contracts for the construction of buildings shall normally be offered by invitation to firms selected by the tender Committee taking into consideration the recommendations by a responsible consultant to submit tenders on the basis of priced bills of quantities.

Where, in respect of relatively small works, the Tender Committee deems it is in the Church's interest to do so either for reasons of economy to save time or whether a certain firm has special skills and equipment it may be resolved that a contract be negotiated instead of adopting the tender system.

Negotiated contracts may be either in approved form under the common seal of the Church or, by variation order/by addition order or by omission order under an existing contract. The Secretary General/General Secretary may direct that minor construction works worth up to Tshs. 150,000,000/= executed without reference to the tender committee.

For major construction works whose value exceeds Tshs. 150,000,000/= a building committee will have to be formed. One member of that committee must come from the area where construction takes place. In addition, an Engineer will have to be appointed as a consultant who will attend and facilitate all the meetings.

#### **Contract records:**

The Secretary General/General Secretary shall ensure that a contract register is maintained wherein the following minimum information shall be provided.

- a) Serial number of the contract
- b) Name and address of the contractor
- c) Date of contract
- d) Reference to appropriate authority for the award of contract
- e) Brief description or the nature of contract.
- f) Date of completion
- g) Amount of contract
- h) Number of approved certificates for completed works
- i) Detailed or payment
- j) Security retained and how eventually discharged

Remedy for breach of contract.

In addition to the minimum information, the Secretary General/General Secretary must ensure that the consultant maintains the standard provision of a construction work such as drawings, Architect's instructions to be site meetings' minutes.

## 17 PUBLICATIONS

### PURPOSE

The Publication in the Church activities is a main activity which needs to be looked at as by it concentration may be a main source of income for the Church sustainability. Thus ELCT shall produce high quality publications to further its objectives. This Policy clarifies the standards, ownership, stages and commensurate roles and responsibilities for managing the Church publications, in a manner that ensures quality, impact, efficiency and effectiveness.

All publications fall under the responsibility of the Mission and Publication for the Church related publication but other publication fall under Publication Officer which is under the Secretary General Office.

### STANDARDS

The Church publications shall be of high standard and quality in all aspects: concept, content, language, illustrations, design, layout and production. This is to ensure high impact and to safeguard the reputation of the organization. Feedback, monitoring and evaluation shall be integral to the process as a way of measuring results and improving the materials.

### KEY STAGES

The process of managing publications may be divided in the following general stages:

**Planning:** This includes the creation of annual distribution and specific activity plans for each publication, which cover the conceptualization, purpose, strategy, approach and basic outline of each publication, as well as its distribution, launch and monitoring;

**Development:** This includes the actual development of the publication, including research, writing content, illustrations, editing; copy-editing, proof-reading, and layout; pre-testing, where appropriate and further detailed elaboration of the distribution/monitoring plan. An editorial committee may be established to advise on and improve quality of publications and may be engaged at this stage;

**Printing:** This includes procurement, final layout, quality checks and production;

**Launching:** This involves launching of the publication, including placement on the website, utilizing social media and engaging with other media for widespread coverage;

**Distribution:** This includes storage of materials and effective distribution to key stakeholders ;( monitoring and tracking of this information is also an important aspect of distribution)

**Monitoring and evaluation:** This includes tracking, compiling and organizing feedback, occasional surveys, analyses, evaluation and ideas for improvement.

## **RESPONSIBILITIES**

For the books, journals other publication are of day today informative, the Mission and Evangelism Department shall ultimately be responsible for developing all publications and shall be responsible for the planning, development, launching, and monitoring and evaluation of publications.

For those publication of daily informative which require regular publication basing on the events i.e. Magazine and new papers, website shall be a responsibilities of the Secretary General/General Secretary. Under communication department.

The Communications Department is also responsible for the effective storage and distribution of materials, according to plans and policies and ensuring that the Secretary General has access to all information and that it is made available to the ELCT stakeholder as they deem to be.

## **COPYRIGHT AND OWNERSHIP**

ELCT publications shall acknowledge both Church and any author(s), editor(s), illustrator(s) and other contributors, if and when applicable.

Notwithstanding of the above, Church shall normally assert copyright ownership over all publications developed or produced by it, and where this is done jointly with other organizations then it shall assert joint copyright. The Board of Trustee of the Church are the responsible for safeguarding the copy write of the Church Publications as stated in the ELCT constitution.

Notwithstanding the above, ELCT shall normally permit reproduction of the whole or part of its publications for non-commercial purposes provided clear attribution is made to the source and at least two copies of the reproduction are provided to ELCT.

The Church shall normally register all its publications, in accordance with internationally recognized good practice and acquire International Standard Book Number (ISBN) and International Standard Serial Number (ISSN) numbers, as the case may be.



All the Church publications shall be distributed at the Church Building. It is not allowed under this regulation read with other regulation to distribute Church Publication at the Printing Press.

### **LEGAL DISCLAIMER**

The Church publication shall include a standard legal disclaimer, the recommended version of which is reproduced below:

The Church and the author hope the readers will find this publication useful and informative. They can however, accept no responsibility or liability whatsoever, for any loss or action that any person who acts or does not act, as a result of any information, opinion or suggestion included in this publication.'

The recommended wording may be varied, depending on the circumstances of each publication, and with the approval of the Secretary General or Deputy Secretary General for Mission and Evangelism

The above disclaimer wording shall be the default wording and may only be dispensed with, after the specific approval of the Secretary General or Deputy Secretary General for Mission and Evangelism

## **18 STORES MANAGEMENT**

### **18.1 PURPOSE**

Goods and equipment received and distributed shall be properly recorded, stored, organized and managed in the interest of efficiency and accountability. This policy outlines the basic guidelines for effective management of stores in the Church.

### **18.2 MANAGEMENT OF STORES**

The Senior Accountant shall have overall responsibility for the management of stores at ELCT and shall report to the DSG Finance and Administration. The assignment can be assigned to a responsible accountant who will report to the Senior Accountant.

The significant store items comprise shop items, stationery (photocopying paper) and printing and other consumables (including print cartridges).

The storekeeper shall be responsible for the day to day management of stores and records. The accountant responsible for stores i.e. at the shop shall post all items sold in the book of account daily.

Keys to stores shall only be issued to authorized employees. The guidelines stipulated herein shall be strictly observed and accurate records shall be maintained at all times. Failure to manage stores as required by this policy may constitute grounds for disciplinary action against employees responsible for stores management.

### **18.3 PURCHASE ORDER**

Requisition of items shall be originated from the department approved by the Head of Department. Requisitions for ordering goods or services required by any department shall be made on a prescribed requisition form, which shall be signed by the Head of Department.

Ordering of goods or services shall be made on an official purchase order which shall be signed by one authorized official of the Church once satisfied that the activities was budgeted for and funds available.

All purchase orders issued in respect of capital expenditure shall be signed by the Secretary General or any other Church officer authorized to do so according to the delegated powers.

### **Purchasing Sources**

As far as possible, all purchases shall be made from suppliers appointed through the tender Committee. Where an item to be purchased is not in the tender, such a purchase shall be made from authorized dealers at the lowest rate in the open market after obtaining at least three quotations

### **18.4 RECEIPTS**

All items received, including publications which are the responsibility of the Communication Department, unless used immediately and not normally maintained in stores, shall be recorded by the employee responsible at the time of receipt on a form proscribed for the purpose. Stores items shall be properly stored in an organized and neat fashion at all times. All appropriate measures shall be taken to minimize theft, loss or damage, particularly for items that are not stored under lock and key.

Upon delivery of the goods they must be verified against the purchase order as to their quality, and other specifications in order to ensure that the correct goods are received before the Goods Received Note is prepared. Delivery notes shall be signed by the staff received the goods and the supplier or agent who delivered the goods. Goods or services of a technical nature must be inspected by users or specialists. Any officer who accepts defective or substandard materials or services shall be held personally liable for the loss suffered by the Church.

Goods Received Note are raised in triplicate for all goods received into the stores. The original copy is given to the Supplier or the person returning goods. The second copy to accounts. The third copy remains in stores to update bin cards.

### **18.5 ISSUES**

The storekeeper shall issue stores on strength or a duly approved issue note or stores requisition authorized by a responsible person. When goods leave the store, they must be accompanied by goods issue note. Goods Issue Notes are raised in triplicate. The original accompanies the goods while the second copy is sent to the accounts department. The third copy remains in the stores to update stores records.

## **18.6 REORDER LEVEL AND RESTOCKING**

The accountant in conjunction with the store keeper shall establish minimum and maximum order quantities that shall be held in Church stores, so as to ensure that there is no interruption of activities. He/she shall be responsible for procuring/restocking items in a systematic and efficient manner and in good time before any stock line is “out of stock”.

## **18.7 RECORDS AND REPORTS**

The Accountant responsible shall ensure accurate and timely records are maintained for all movements for all the significant store items, mentioned in this section and other significant items that may be agreed by the Management, from time to time. The records shall include but not be limited to: receipts, requisition forms, issues, and bin cards. Stores records shall be maintained and all transactions shall be accurately recorded therein no later than one week after the transaction was undertaken. The Senior Accountant, to whom the Accountant shall report, shall ultimately be responsible for ensuring the custody and safety of stores and related records.

The Senior Accountant shall normally produce reports on or before the tenth day of each month, covering the previous month. Reports shall include starting stocks, receipts, issues and ending balances, analysis of the data, and explanations of any major issues or discrepancies.

The Senior Accountant shall also produce half-yearly reports, for submission to the Board, approved by the Investment Analyst, containing the same information as shown in the monthly reports. These reports shall include a comparison of the numbers in the records compared to the actual physical stocks.

## **18.8 STOCK CHECKS**

Stores at shall be subject to both routine and unannounced ‘surprise’ stock physical checks, as follows:

- The Accountant shall examine stores to ensure good organization and consistency between movements, records and stocks from time to time;
- The Accountant shall undertake a comprehensive and systematic stock count around the last day of for each of the first three quarters of the calendar year. These counts shall be reviewed, on a

- on a sample audit basis, by the responsible Accountant and/or Investment Analyst;
- The Senior Accountant shall assign an Accountant or other responsible employee to undertake a comprehensive physical annual stock count during December of each year; the staking exercise shall be attended by the external auditor.
- The Senior Accountant may perform or assign any other competent employee to undertake unannounced 'spot physical counts' at any reasonable times.
- All physical stock counts and their findings shall be carefully recorded and communicated to the DSG Finance and Administration.

### **Board of Survey**

The Secretary General/General Secretary shall constitute a Board of Survey annually to inspect and report to him or her on the Church's /Institution fixed assets and stores during the second half of each financial year.

The Board shall consist of Chairman and three other members appointed by the Secretary General/General Secretary amongst the senior officers of the Church with such qualification such as Estate person, Hardware Engineer Hardware or other technical expertise as may be necessary to ensure that the Board can discharge its work competently.

Any senior officer who has been appointed but is unable to serve the Board because of unavoidable reasons must report the fact immediately to the Secretary General/General Secretary shall nominate another senior officer to serve the Board.

The responsibility of the Board shall be to ascertain whether or not fixed assets and stores are properly safe guarded from unauthorized use of misuse and are duly protected.

The Board shall identify and compile a list of obsolete, damaged and worn out assets and recommend to the Secretary General/General Secretary on the appropriate method of disposal.

## **19 FIXED ASSET MANAGEMENT**

### **19.1 PURPOSE**

Fixed assets obtained by Church shall be properly recorded, coded, allocated and managed in the interest of efficiency and accountability. This policy outlines the basic guidelines for effective management of assets. An asset is defined as plant, equipment, motor vehicle, furniture, building or any other item appearing in the fixed asset register.

### **19.2 ACCOUNTING POLICIES**

A fixed asset is a long-term tangible piece of asset that a firm owns and controls and uses in the production of its income or in its operations and is expected to be consumed or converted into cash over a period of more than one year. A fixed asset is to be expensed over the useful life of the asset(see section 5).

Cost of fixed asset is to include purchase price, freight, taxes, trade discounts and all cost required to bring it to its use.

Where fixed asset is received as a donation, it shall be recognized at fair value and a corresponding credit with be grants.

### **19.3 MANAGEMENT**

The DSG Finance and Administration shall be responsible for the management of fixed assets at ELCT and shall ultimately report to the Investment Analyst. The guidelines stipulated herein shall be strictly observed. Failure to manage fixed assets, as required by this policy, may constitute grounds for disciplinary action against any employee responsible.

### **19.4 RECOGNITION**

Accurate records of fixed assets shall be maintained at all times. The fixed asset register shall be maintained by the Senior Accountant. Information regarding the allocation and movement of all fixed assets shall be maintained by the Administrator.

Records shall include essential information such as fixed asset type, serial number, brand name, asset number, quantities, date and cost of purchase, insurance value, location and employee having custody of the fixed asset.

## **19.5 CARE AND REPAIR OF FIXED ASSETS**

- i. Fixed assets are expensive. Any employee, who is assigned custody and stewardship of fixed assets, shall take all reasonable measures to ensure responsible use, good care and safety. The employee shall do nothing that would damage the fixed asset or invalidate its warranty. Fixed assets are meant to be used for the work of the Church and may not be put to any unauthorized private use or provided to any other party, without proper authorization.
- ii. Any problem, malfunction or defect of a fixed asset shall be promptly recorded on a 'Repair Request Form' and forwarded to the DSG Finance and Administration. The DSG F/A shall seek to have the problem examined and repaired internally whenever possible failing which, the fixed asset shall be assigned for external repair and noted as such on the repair form
- iii. Movements of fixed assets for repairs shall be recorded. The ELCT Management shall make every effort to expedite repairs and, wherever possible, make alternative arrangements to enable the employee to continue work. Wherever possible, full use shall be made of the warranty provisions.

## **19.6 FIXED ASSET CODES**

All fixed assets shall have a unique fixed asset code that shall be noted in the fixed asset register and room location lists, as well as a durable label that shall be affixed to each asset. The Senior Accountant shall arrange his/her unit staff to periodically check that all fixed assets are properly labeled and located.

## **19.7 LOSS OR DAMAGE OF FIXED ASSETS**

- i. In case of loss, damage or theft of a fixed asset, the employee who is responsible for it or has knowledge of it shall immediately write a clear, accurate and comprehensive statement regarding the incident and forward it without delay to the DSG Finance and Administration. In case of willful loss, willful damage or theft, the DSG Finance and Administration having examined the situation and consulted with the Administrator, and

being satisfied that a report to the police or other authorities is warranted, shall proceed to arrange to do so.

- ii. An employee who admits to theft or causing willful loss or willful damage, or is convicted in a court of law of an offence, shall be summarily dismissed. In such cases, the employee concerned shall be liable for the total cost of the cost of replacement, even where the cost may be wholly or partially recoverable by other means, unless the Court determines otherwise.
- iii. Pending and during court procedures, any employee shall be suspended on half pay, as described in the Human Resources Policies Manual. If the employee is subsequently found guilty, the employee's contract shall be terminated and the employee shall not receive any additional pay or benefits. If the employee is exonerated, he/she shall receive the unpaid balance of their salary.
- iv. In case of damage or loss, the Investment Analyst, with the assistance of the Administrator, shall seek to establish the circumstances that led to the damage or loss. Where the circumstances are unclear, the employee concerned shall generally be accorded the benefit of doubt.
- v. Where the DSG Finance and Administration, after consultation with the Secretary General and relevant Head of Department, as the case may be, determines that the loss or damage of the asset is due to negligence, improper use, or any use that violates these Finance Regulations or the Human Resource Policies, then the employee concerned may be held liable for reimbursing the full cost of replacing or repairing the asset(s) concerned.
- vi. The employee facing disciplinary action shall have the right to appeal, in accordance with the grievance provisions for appeal, as described in section 10 of the Human Resources Policies.

## **19.8 REPORTS**

The Senior Accountant shall prepare an annual fixed asset status report in the form of an updated fixed asset register. The register shall include the following information:



- Asset description, including serial/registration number, where relevant;
- Year of acquisition;
- Estimated depreciated net book values (to be calculated, using the nominal depreciation rates, shown in section 1.10 and as described in Appendix E of these Finance Regulations);
- Estimated replacement costs;
- Estimated insurable values; and
- Explanations of any major issues or discrepancies, for example, missing assets, obsolete assets and assets in poor condition that need repairs or replacing.

## **19.9 INSURANCE**

- i. Major fixed assets of the Church shall be insured against fire, floods, theft, loss and other damage. The DSG Finance and Administration in consultation with Senior Accountant shall promptly and no later than two weeks from date of delivery of the asset, arrange for newly acquired fixed assets to be insured, ensure that coverage for existing assets is kept current, and any pending insurance claims are followed up on a regular basis.
- ii. ELCT shall take measures, to prevent fire and other accidents occurring on the premises, including the provision of fire extinguishers at strategic places throughout the building, first aid and accident prevention training and regular fire drills.
- iii. Procurement of insurance services may be undertaken directly or through a broker, provided that the procurement procedures are followed.
- iv. In case of damage or loss covered by insurance, the Senior Accountant or any designated staff shall immediately prepare a report on the incident and forward it to the DSG Finance and Administration with recommended actions. The Senior Accountant in consultation with DSG Finance and Administration and Secretary General, if satisfied with the report, shall arrange to lodge a claim with the insurance provider, unless he/she determines that the costs of doing so (such as insurance deductibles, loss of no claim discounts, and transaction costs) outweigh the potential benefits. In such cases, the Senior Accountant with the approval of the DSG Finance and Administration shall decline to lodge a claim and document the reasons for doing so.

## **19.10 FIXED ASSET STOCK CHECKS**

The Church fixed assets shall be subject to both routine and unannounced 'surprise' checks as follows:

- The Senior Accountant shall examine fixed assets to ensure good organization and consistency between movements, records and holdings from time to time;
- The Senior Accountant shall undertake a systematic annual check and these shall be examined, on a sample audit basis by the responsible Accountant;
- The DGS Finance and Administration shall assign the responsible Accountant, other suitable employee and/or external consultant to undertake a comprehensive annual fixed asset check around 31 December of each year;

## **19.11 GUIDELINES REGARDING USE OF SPECIFIC FIXED ASSETS**

In addition to the overall guidelines regarding fixed assets set out above, the following rules and regulations shall apply to the use of specific fixed assets:

All equipment shall be used towards the work of the Church.

## **19.12 PHOTOCOPIER, COPIER AND PRINTER**

- i. As a general rule only authorized employees may operate any photocopier, copier and printing equipment owned by the Church. The employee making the copies, whether for work or personal purposes, shall accurately and promptly record copies made in any monitoring record designated for the purpose. The copies must be paid for.
- ii. Where a ELCT photocopy machine is available, all copies shall normally be done in-house, unless urgency or the nature of work is such that the copies can be made more effectively by an outside supplier.

- iii. Employees responsible for copying shall at all times strive to do so in an environmentally conscious manner, such as making double sided copies, and reducing unnecessary use of ink, electricity and paper wastage.
- iv. The Administrator shall ensure that the quality of copies made is consistently timely, reliable, accurate and of a high standard.

### **19.13 TELEPHONES AND FAXES**

- i. All employees shall minimize unnecessary usage of telephones and faxes, seek cheaper alternative means (such as email), and limit duration of calls where possible. An employee may use Church telephones to make a modest number of personal calls provided this does not interfere with the work. An employee who abuse telephone privileges may have his telephone allowance reduced or withdrawn and/or face disciplinary action.
- ii. As agreed on a case by case basis by the Secretary General, certain designated employees shall receive monthly allotments of recharge units for their personal mobile phones to enable them to make official calls; the employees who receive this benefit and the amounts for each shall be established by the Management as the budget may allow. Employees shall use recharge units provided by the Church with care to further the work of the Church.

### **19.14 COMPUTER EQUIPMENT AND INFORMATION TECHNOLOGY E-POLICY**

Please refer to the section 21.Information Technology of these Finance Regulations. Please also refer to the Human Resources Policies 6.3 and 6.4 for the guidelines on the use of Computer Equipment and Information Technology E-Policy, respectively.

#### **KEYS**

- i. All ELCT keys, including acquisition, transfers and allocation, must be recorded in a special register established for the purpose. Spare keys shall be organized and maintained in a secure location by the DSG Finance and Administration or any employee designated and shall be kept in save.

- ii. The Secretary General shall, in consultation with the DSG Finance and Administration, determine and authorize allocation of keys. No keys may be copied or allocated without the permission of the Secretary General or DSG Finance and Administration. Keys shall remain the property of the Church and employees must return the keys, when requested and at the end of the employment contract.
- iii. In case of loss each employee must report the matter immediately to the Secretary General or DSG Finance and Administration and police. The employee shall be held liable for the cost of duplicating keys and changing locks where needed, unless the Investment analyst determines the circumstances do not warrant such liability. Duplication of the keys shall be authorized by Secretary General or DSG Finance and Administration

#### **DISPOSAL OF FIXED ASSETS**

- i. The disposal of ELCT fixed assets shall be performed in a manner consistent with the provisions in these Finance Regulations. Any disposal shall include appropriate guidelines on tender procedures and arm's length transactions. Reference shall also be made to the Working committee charter on asset disposal.
- ii. The first priority in selling any Church assets must be given to the Church Units, i.e. Dioceses and ELCT institutions,

## **19.15 VEHICLES**

### **PURPOSE**

The purpose of this policy is to ensure that assigned vehicles are used solely to conduct Church activities. This Policy outlines the entitlements, rules and regulations for the effective use and management of vehicles and transport in Church. Unless stated otherwise, all references to vehicles herein, apply equally to both motor vehicles and motorcycles. The DSG Finance and Administration/Treasurer, who shall report to the Secretary General, shall be directly responsible for managing all aspects of vehicles of the Church.

### **VEHICLE POLICY**

ELCT shall seek to maximize the cost-efficiency and effectiveness of its vehicle arrangements as an organization. In so much as it remains the most cost-effective solution; Church shall not

invest in acquiring its own vehicles other than that most useful to limited number of staff. Wherever possible, and with the agreement of the vehicle-owning employee concerned, shall instead negotiate, on a case by case basis, for the reasonable use of that employee's vehicle.

#### **PRIVATE VEHICLES: USE FOR KKKT BUSINESS**

- i. Employees owning vehicle shall normally be requested to use their own private vehicles for Church duties. Employees shall receive due compensation for the use of their vehicles through the payment of a current kilometer rate agreed. Only on permission and agreed by management
- ii. Alternatively, employees, with the approval of their Head of Department may use taxis and shall be reimbursed by Church.
- iii. The kilometer rate for tarmac and all other roads is shown at an Appendix of these Finance Regulations. Any changes to this rate and basis of calculation thereof shall be proposed by the management and approved by the Finance Council and ratified by Executive Council.
- iv. A claim for reimbursement of kilometers recorded on Church activities shall be submitted to the responsible Accountant at the end of every month or end of activity. An employee, who fails to provide consistent, clear or adequate information on the monthly claim when requested, shall not be refunded their kilometer claim.
- v. Employees shall strive at all times to maximize the cost-efficiency of the mileage that they incur in the use of their vehicles on Church activities.
- vi. Where an employee does not own a vehicle, or when an employee makes a reasonable case to the Administrator not to use their vehicle for a specific work purpose, the management shall arrange or authorize the most cost-effective alternative form of transport.
- vii. The allocated driver shall ensure that the maximum security for the vehicle is provided. And also ensure that a valid road license and Insurance sticker are displayed.

## **CHURCH VEHICLES: ENTITLEMENT**

Church vehicles shall be used only for the work of the Church. Only employees designated in the Church Vehicle policy, or otherwise authorized by management, may drive Church vehicles.

All employees shall request the use of ELCT vehicles in the form designated for that purposes. Employees shall lodge requests as far in advance as possible. The Secretary General in conjunction with DSG Finance and Administration shall advice the Executive Council the staff who is eligible for Church vehicles. Where the Church vehicle is not available for work, the employee may be authorized to use his/her private vehicle shall be reimbursed at the ELCT kilometer rate or use a taxi and seek reimbursement against receipt.

As determined in the vehicle policies, the Church Officers are eligible to drive Church vehicle. The Church Officers are as determined in the ELCT constitution. Other staffs that are eligible for Church vehicles shall have drivers to drive the vehicle.

## **CHURCH VEHICLES: DRIVER QUALIFICATIONS AND TRAFFIC RULES**

Every driver of the Church vehicle must possess an up-to-date and appropriate class of driver's license to operate the type of vehicle he/she have been assigned.

The DSG F/A assisted by the Human Resources Officer is responsible for checking that each prospective driver has a valid, current and appropriate driving license. An authorized driver form must be completed and/or updated at the beginning of each calendar year.

## **CHURCH VEHICLES: PRIVATE USE**

The Secretary General or by delegation DSG Finance and Administration may, in emergency circumstances, allow LECT vehicles to be used for private purposes, provided this does not interfere with the work of the organization. Any use of the vehicle that is not directly related to the work of ELCT shall be deemed private use. An exception is use of vehicle to transport an employee who needs medical attention between the office and workplace.

## **ELCT VEHICLES: LOG BOOKS AND RECORDS**

The Administrator shall arrange for employees to submit motor vehicle records scrutinize, compile analyze appropriate vehicle records (ELCT and private) and other records to prepare monthly analytical reports by the tenth day of the following month, in respect of the previous month.

## **ELCT VEHICLES: TRAFFIC LAWS AND REGULATIONS**

- i. All drivers of Church vehicles, including the vehicles stationed in Arusha shall drive cautiously and put safety first at all times. All users shall be responsible for observing applicable traffic rules and these Finance Regulations, including the use of motorcycle helmets, safety belts, and any other guidelines that may be issued by the ELCT Management/Councils from time to time. No employee may use a vehicle in any manner that may invalidate its insurance coverage.
- ii. Users shall at all times exercise due caution and avoid driving or parking a Church vehicle in areas or at times where it may place them and/or the vehicle in danger. The driver has to park the Vehicle during the night at the office premises except those Officer authorized to park their Cars at home. During the use of the vehicle on any assignment, the authorized driver is responsible for parking the vehicle in the ELCT compound or in an approved (by a member of the Management) parking space and to make sure that all windows are properly closed and the doors are locked.
- iii. Drivers shall obey all traffic rules when operating a ELCT vehicle, according to the relevant traffic legislation and by-laws. Under no circumstances, ELCT will pay any parking tickets or fines related to traffic violations that occurred while an individual was operating an ELCT vehicle.
- iv. Failure to abide by traffic laws and these Finance Regulations may lead to suspension of privileges and/or disciplinary action.

## **ELCT VEHICLES: ACCIDENTS AND LOSS**

All accidents, however minor or loss of any items from vehicles shall be reported immediately to the Administrator. Accidents shall also be reported to the authorities in accordance with the Traffic Laws.

An employee, who has caused an accident through willful neglect or flagrant violation of the laws and regulations, may be held liable for any resulting damages.

An employee or associate who suffers injury or death through accidents shall be entitled to full coverage provided by the vehicle and group accident insurance schemes.

Fine and/or any losses caused by the driver negligently shall be bared by the driver.

## **CHURCH VEHICLES: MAINTENANCE AND REPAIRS**

The DSG F/A shall ensure that vehicles are serviced on a regular basis according to the manufacturer's recommendations and maintain proper service records and ensuring the vehicles are cleaned and checked on a regular basis.

The Administrator shall arrange to have vehicles refueled in a timely by ensuring that fuel payment is issued on time. Fuel funds shall be paid within 15 days of the month where the fuel is to be used. Any request for fuel beyond 15 days shall be forfeited to the following months.

Any malfunction or problem with any vehicle that cannot be solved by the employee shall be immediately reported to the Administrator, who shall be responsible for arranging for appropriate repairs.

The Church vehicle shall be repaired in a selected and authorized Garage. The garage will be selected through tender processes.

## **REVALUATION OF ELCT ASSETS POLICY.**

Revaluation of fixed Assets in undertaken to determine the current value of assets owned by the organization. This activities is carried in addition to the usual depreciation. This policy is established and read concurrently with Regulation Number 5 in page 8 of this policy. ( Significant Accounting Policy).

### **Revaluation Period.**

ELCT fixed Assets should be revalued in every five years between one revalued period. Revaluation of ELCT Assets should be done by the professional Valuer recognized by the Tanzania Valuer Registration Board as per the valuation and Valuers Registration Act 2016.

### **Method of Revaluation.**

Initially all PPE measured at its cost i.e. purchase + import duty + directly attributable cost (site preparation, freight, installation cost, testing professional fees and unavoidable cost of dismantling, removal and restoring the site).

### **Accounting for Revaluation.**



## **20 OFFICE AND CHURCH PROPERTY MANAGEMENT**

### **PURPOSE**

ELCT shall provide a safe, professional, clean, efficient, environmentally friendly and well coming work environment for both employees and visitors. These Financial Regulations outline basic roles and responsibilities towards this end. The Administrator shall, under the direction of the Investment Analyst, establish and monitor effective systems and guidelines to ensure optimum office functioning, and will supervise implementation consistent with these Finance Regulations.

### **CLEANLINESS**

All employees shall contribute towards ensuring that the office environment is clean, well-organized and having a professional appearance. Each employee shall be responsible for her/his desk, computer, office, walls/notice boards and/or other areas in which he/she works. The Administrator shall be responsible for organizing, supervising and monitoring the systematic cleaning of the office and surrounding areas, the fixtures, kitchens and utensils, as well also maintaining the gardens and indoor plants in a healthy state. The Administrator shall be responsible for arranging the periodic cleanliness of computer and telephone equipment, and also for the periodic cleaning of all other equipment.

### **UTILITIES AND SUPPLIES**

The DSG Finance and Administration shall ensure that ELCT is supplied with reliable telephone systems, water, electricity, rubbish disposal and other key services. The Administrator shall manage relations with suppliers and payments for services. Plumbing and electrical systems, including the back-up generator and back-up water storage tanks and water pumps, shall be properly used and maintained. Suppliers' required to maintain office functioning shall be procured in a systematic and timely fashion. The Administrator shall arrange to keep accurate records in relation to these areas and produce monthly analytical reports for scrutiny whenever needed.

### **LAND, BUILDINGS, OTHER STRUCTURES AND FURNITURE AND FITTINGS**

All employees shall be responsible for maintaining and taking good care of Church property including buildings, grounds and furniture and of promptly reporting any faults or problems requiring attention, to the DSG Finance and Administration. The SDG F/A shall be responsible for the efficient management of these assets, including prompt repairs, so as to ensure high functioning and high standards at all times. Furniture transfer and new orders shall be consistent with the asset management policy.

## **SAFETY AND SECURITY**

ELCT shall appoint a member of staff to be responsible for Health, Safety and Security. Irrespective of this, all employees shall be responsible for contributing to the security of all ELCT buildings, equipment and property, and for following all guidelines related to security. The DSG Finance and Administration in assistant with Human Resources Officer and Real Estate shall be responsible for effective management of overall security arrangements, including supervision of security guards and systems, keys and locks, security lights, equipment and movement of people.

The Administrator shall ensure that fire extinguishers are in place and serviced as required, and that employees are aware of their proper use.

The DSG Finance and Administration in consultation Director of Health shall ensure that first aid kits is available at the office and are replaced and replenished as needed at ELCT. First aid specialists shall be appointed from amongst the employees in ELCT Health Directorate.

## **DOCUMENTS AND FILING**

All employees shall manage and handle official documents, including correspondence, plans, reports and administration and finance documents, in a responsible manner and in consistent with ELCT regulations, policies and guidelines. All official mail and documents received shall be registered and then routed through the Senior Accountant or an officer delegated by him/her. All outgoing correspondence shall be treated in the same manner.

Copies of incoming/outgoing correspondence and other documents shall be maintained in official files set up for the purpose. Financial files shall be maintained by the responsible Accountant, the filing and organization of all other official documents shall be managed by the Administrator, unless specified otherwise herein.

All invoice, contract, pay in slips, banks reconciliation statements, suppliers documents, customers documents or any documents authorized as sources of information, important for the Church records shall be filed in the proper file after posting is done in the system. It is prohibited to keep aforementioned document in the locker or leave them in loose environment which anybody unauthorized can access. Disciplinary action will be taken to any staff or officer who negligently leaves the documents lies loosely and jeopardize the confidentiality of the Church information.

## **CONTACTS DATABASE**

ELCT shall maintain and continuously update a computerized database of key contacts and addresses for ease and accuracy of communication and distribution. All employees shall be responsible for communicating new and updating old contacts to an officer who shall be identified for the purpose. Publication distribution shall be based on a contacts database. The ICT Officer shall be ultimately responsible for effective management of the database. The main speaking mandate on behalf of the Church shall rest to the hand of the Presiding Bishop of the Evangelical Lutheran Church in Tanzania.

## **HOSPITALITY**

All employees shall strive to be hospitable, welcoming and treat visitors in a friendly, respectful and professional manner.

All visitors shall normally report to the front desk and be greeted by the receptionist. Employees shall meet with visitors in a manner that does not disrupt the work of colleagues.

All members of the Boards/Council/committee shall be eligible for reimbursement against receipts for costs incurred in the course of meeting with partners or other strategic persons in the furtherance of ELCT's objectives.

## **ENVIRONMENTAL CONSCIOUSNESS**

ELCT shall continually seek to improve environmental stewardship in its office functioning. This function is one core business of the Church to ensure protection of God creation. All employees shall, wherever possible and practicable, employ practices that reduce waste and negative impacts on the environment. This includes, but is not limited to, conserving water and electricity; reducing the use of chemicals, solvents and other substances harmful to nature.

In addition, ELCT as part of its environmentally-friendly approach, shall use of paper and ink; recycling waste and limit vehicle and generator use. The *"Think before you Print principle"* is a vita principle in ELCT in advocating environment protection.

The *"Clean desk principle"*:- This is the principle where the desk of the officer must be clean from papers. This will protect confidentiality, loss of information, and office neatness to preserves environment.

The DSG Finance and Administration may, after consultation, further develop policies and regulations to promote greater environmental consciousness within ELCT.

## **HIV AND AIDS AWARENESS**

ELCT shall seek to promote broad awareness and open discussion about HIV/AIDS in the workplace. Activities shall be undertaken to enable employees to learn about prevention and care.

Respect for people affected with HIV/AIDS shall be promoted; gender stereotypes, discrimination and stigma against people with HIV/AIDS shall be actively discouraged and opposed.

Policies and practices regarding recruitment, health care, benefits, learning and others shall take into account HIV/AIDS status, to the maximum extent possible.

The Secretary General shall designate an employee as a resource person on HIV/AIDS counseling matters within Church and support his/her roles effectively. The Secretary General may, after consultation with HIV Desk, further develop rules and regulations to promote greater HIV/AIDS awareness and action within Church.

## **21 INFORMATION TECHNOLOGY**

### **PURPOSE**

This policy sets out the guidelines for the effective functioning and management of computer equipment and information technology (IT) at Church. The ICT Officer, with expert advice from the ICT Team and accounts team, shall be overall responsible for effective management and functioning of computers at ELCT. Notwithstanding the provisions below the DSG Finance and Administration may after consultation with the ELCT Finance Executive issue further guidelines in the interest of effective regulation of computer use at Church.

ELCT shall develop specific Information Technology policies that shall complement the IT policies included in these Finance Regulations.

### **ALLOCATION OF COMPUTERS**

Each employee who requires a computer to fulfill her/his responsibilities shall normally be allocated reserved or shared access to a computer wherever possible. The ICT Officer with the help of the Accountant shall determine employee entitlements to computer equipment and software, taking into account budget constraints and other relevant criteria.

Mobile laptop computers shall be maintained by the ICT Officer and issued to employees for work purposes only; and employees allocated laptop computers shall be responsible for taking all measures to ensure safety and good use.

The ICT Officer shall be responsible for establishing and implementing all necessary provisions to regulate access and manage security of computers, computer equipment and networks.

Computer equipment may only be issued or transferred, in accordance with ELCT fixed asset management policy, as described in section 13 of these Finance Regulations.

### **COMPUTER USE AND MAINTENANCE**

Each employee shall be responsible for taking care of computer equipment allocated or used by her/him consistent with the provisions herein and guidelines that may be issued from time to time. An employee who uses computers in violation of policies and guidelines may forfeit access and be subject to further disciplinary action.

Problems or faults shall be noted on the form provided for the purpose and be reported to the ICT officer without delay.

Outside technician are prohibited to trouble shoot or perform maintenance on the Church computer without permission. In the case where the outside technician is performing the assignment, the ELCT personnel responsible for IT must accompany him/her.

The ICT officer shall be responsible for arranging periodic cleaning of computer equipment and for managing security, troubleshooting, repair and maintenance.

At all times users shall exercise environmental consciousness in the use of computer equipment and limit the number of pages printed and ink/toner used wherever possible.

## **E-MAILS**

Employees' who are assigned computers shall be provided with an internal email account for the sole use of communicating with others within the office. Official email addresses shall be established for the main address (elct@elct.or.tz), for official communications (at Secretary General Office), each department and others as determined by the ELCT Management in consultation with the ICT officer. All ELCT Staff shall use ELCT official domain which is @elct.or.tz. This will be used for official communication. Use of private email address in official communication is prohibited. However, private email can only be used in cases where there no access on the official domain.

The email addresses shall generally be reserved for correspondence with professional colleagues and employees shall use their own addresses for personal communication. All email through official ELCT addresses shall be recorded/logged and subject to scrutiny, including an email audit.

## **INTERNET**

Computers at the main office shall have internet access for official and limited personal use, unless determined otherwise by the DSG Finance and Administration, in consultation with the ICT Officer.

Employees shall at all time use the internet in a manner that does not disrupt the work of ELCT, Personal use should generally be undertaken outside official working hours.

Employees may not at any time view pornographic or other offensive websites and may not watch movies or engage in activities that impair computer functioning or safety. Employees may not

download any software or software enhancements that are not explicitly authorized in advance by the ICT Officer

Any use of the Church network and connection must adhere with policy of confidentiality including using of passwords all the time.

Employees should not install or uninstall any kind of software into a computer without consulting the IT Officer responsible in order to avoid malicious software which can harm and hinder other operation.

It is prohibited to visit potential dangerous website which can compromise the safety of the network and computer.

Employee will access the social media which are applicable to their work environment under the guide of the IT officer responsible.

All employees must be careful in downloading and executing or opening files and software. In case there are not sure of the software, file or document, contact the IT Officer for help.

## **DOCUMENT MANAGEMENT AND PROTECTION**

All employees shall file electronic documents, in accordance with document policies and guidelines, as updated from time to time by the ICT Officer. The ICT Officer shall also establish general folders on the server for common use documents.

Employees shall have access to data needed to perform their duties, for which the Investment analyst shall establish access privileges and maintain data integrity and confidentiality, in accordance with instructions from the Board. No employee shall access or attempt to access data that is confidential or to which he/she does not have access privileges.

The ICT Officer shall ensure that a system of back-ups for all official documents is in place and functioning effectively.

The ICT Officer shall ensure that an effective automated system for virus protection is in place and functioning at all times.

## **LEARNING AND CAPACITY DEVELOPMENT**

Each employee shall be primarily responsible for learning and upgrading her/his knowledge of computers to improve work performance and achieve results. The ICT Officer shall provide one-to-one support, where possible and establish and conduct in-house learning programs for employees. Specialized advance training opportunities may also be arranged for employees, where necessary, for improved performance.

## **WEBSITE**

ELCT shall maintain a website ([www.elct.or.tz](http://www.elct.or.tz)) to share information and promote its objectives. The Secretary General shall provide overall strategic direction, establish guidelines for website management and approve its content. All departments shall be responsible for generating and identifying appropriate information for the website, and for providing it to the ICT Officer in the form established for the purpose. The ICT Officer shall manage regular and periodic updates to the website, liaise with the host company as needed, and ensure overall functioning and accuracy.



## 22 YEAR END PROCEDURES

The purpose of this section is to set out issues which need to be undertaken in order to prepare final financial statements.

### Procedures:

When it is close to the year end, commencing 1<sup>st</sup> October, DSG FA will have to issue specific instructions to facilitate finalization of financial statements. Among the things which need to be undertaken include:

S/N	Activity	By date
1	Preparation of stocktaking instructions	30 <sup>th</sup> October
2	Nomination of stocktaking Teams of employees	30 <sup>th</sup> October
3	Agree with Management on stock taking dates	30 <sup>th</sup> October
4	Ensure bank reconciliations are finalized up to September	15 <sup>th</sup> November
5	Write a letter to invite External/Internal Auditors to participate at stocktaking	15 <sup>th</sup> November
6	Stocktaking dates	27 – 30 <sup>th</sup> December
7	Cash on Hand	31/12 or 1/1/
8	Write letters to Banks to ask for Bank certificates as on 31 <sup>st</sup> December	15 December
9	Schedule of fixed assets to 30 <sup>th</sup> September	15 <sup>th</sup> December
10	Schedule of Payables to 30 <sup>th</sup> September	15 <sup>th</sup> December
11	Schedule of Receivables to 30 <sup>th</sup> September	15 <sup>th</sup> December
12	Necessary adjustment to be done	15 February
13	Calling for Audit	30 March
14	Signing of the Financial Statement	01 June