

Best Practices #2.2: Finance and Administration Policies





You probably have been running a WMA for some years now without a Finance and Administration policy, so why start now?

Well, it will make your life easier and for those who work with you. And do not panic, this process of developing the Finance and Administration policy can be fun too. This document will help you make sure that you all know what each other's roles are, respecting and executing the assigned roles. Making sure you have all agreed regarding how you are going to run the finances and admin of your WMA.

By having this guide every employee of your WMA will be empowered to work more accurately, provide guidance for the board and AA and give them management and financial control. Basically capturing what you are already doing with your financial management, putting that into a document and having your board sign off.

To make a finance and administration policy there are a few things you must do and key people you must include such as

- People: AA, Management team.
- Policies and laws: make sure policies abide/compliment national laws.
- Practices: look at what you are already doing.

1. Introduction/Purpose

Having a finance and administration policy will empower your team, by providing the policies everyone knows what they are supposed to do and what they are not supposed to do; this will make task execution so much easier. It will also improve your relationship with your partner because they understand what your rules are and can therefore trust you. By building trust between you and your partners communication is easier this makes project execution so much easier and much more efficient.

2. Principle Procedures

These principles are used as a guiding light to all the employees of your WMA, influencing/encouraging/motivating each employee to make the right decisions in every task coordinated for the WMA. Your WMA will build a good reputation and trust because of the morals of conduct of the employees which are directed by such principles.



For more information about principle procedures in the coordination of management read this link, <https://courses.lumenlearning.com/boundless-management/chapter/principles-of-management/>



3. Hierarchy of the financial decision making

It would be really difficult for your WMA to operate if everyone and anyone could make any financial decision, it would be very confusing for all the team players, stressful and you could be breaking the law. So the Finance and Administration policy states who is allowed to make financial decisions, then it is clear for those in the WMA as well the stakeholder to understand who is responsible for what action.

When developing the hierarchy, please consider That you have checks and balances- so different people have different roles and hold each other accountable.

4. Bank and cash management

As a WMA, you need a way to manage all the money you make, here we look into ways to safe keep all the money you've made.it is easier to manage and control all the money with a bank, For your WMA to become a legitimate procedure will help you convince donors to give you funds and who is responsible to maintain this account.



- Having an official WMA account; helps legal recognition of the WMA's financial transactions.
- Separate signatories that officiate cash withdrawals and transfers from the WMA

5. Other security measures

The security of the WMA depends on its people, here you look into ways to make your WMA safer in different aspects such as financial, environmental, social and administrative aspects. You need to make sure that you secure your WMA from threats like theft, fraud, and others, The WMA will be known for its good practice due its safety code that the WMA management has developed and is taking into action. The recommended guidelines to follow in drafting the security measure are;

- Safe box; keep all the WMA's petty cash and important documents
- Copy Making; all the important information/documents copies should be made.
- Document independence; all important documents should be recorded on their own/not mixed with other documents.
- Approval seal; all the important documents should be stamped for recognition.



6. Foreign exchange

Most of the WMA's revenue is collected in foreign currency; here you are able to cope with the constant change in national currency rates. You must have the monitoring system in place because you receive income of the WMA in foreign currency (\$) but spend it in domestic currency (TSH). This will help your community on how much you have received from a donor.



- BOT exchange rates; these are in constant motion/change so we always need to update the rates from BOT.

7. Bank and cash reconciliation.

you are capable of safekeeping all the WMAs money. You know and have evidence on all transactions of the WMA. You avoid man made mistakes because of the automated system/computer/technology. Your transaction information is more truthful and honesty

8. Budget management.

Your WMA needs to plan how it will use its money. Know how many projects you have and how much they are/cost helping you know how many projects you have

Help you know who is capable of giving you money

9. Incomes and donor relations

WMA needs to know how much money they have, and look at how to get more money.by having a relationship with a donor you recognize what the donors requests are so you can comply with them to get the funding you need and also find ways to secure/protect the money you've earned from fraud and theft

10. Procurement

There is a national law that provides the foundation of your procurement policy; a WMA must follow this law. All You need a system to safely arrange and sort out all your materials to avoid things getting lost or stolen. Look at who distributes the material you need at fair prices. This will help your WMA to save more money in purchases. You build trust with your supplier.



- The person who authorizes payments, this is a different level such as who can spend 10,000 and how do you purchase something for over 10 millions



For more information about National procurement policy read this link,
https://www.ppra.go.tz/phocadownload/attachments/Act/Public_Procurement_Act_2011.pdf

11. Methods of procurement

You get a chance to know and choose the service providers with cheap/fair prices with the aim of saving money in your WMA. Communications become better and easier between the WMA and the provider. You are able to show legitimate transactions with service providers to donors to earn trust which makes it easier for them to give your WMA funding. The transaction details will be used as financial information by the WMA

12. Tenders

As a wma you will have projects that need external help, you get to decide who you are going to choose to help execute the project and also decide how much you are going to pay the helper and how long you want the project to take, knowing who can approve the tenders and who is contracted to help will help save time in accomplishing WMA's project.

13. Exceptions

You will encounter scenarios that will need to be treated differently from normal WMA procedures; here you look at how you will prepare yourself for these scenarios. These exceptions should only be considered if all the procedures of the WMA have not worked. Knowing who can make decisions that this scenario is different and so it must be treated differently. You as a WMA have strengthened yourself because you have developed backup plans.

14. Purchase Order

By recording what you need to buy you keep important financial information for WMA that will help in asking for funds from donors, knowing what your WMA is buying, deciding how to pay for these transactions.



- It is most preferable to purchase these orders through bank transactions, these transactions will be stored as records.

15. Cash Approval.

To make sure you have control over all the cash in your WMA you need to make sure not everyone has the authority to dispense the WMA's money whenever they want so we have to appoint/select one individual who is capable and has an understanding of how to control the money.

16. Petty Cash.

Your WMA must safely keep a certain amount of money in hand to facilitate/conduct day to day activities, by having cash in hand you are able to handle emergencies that may happen within the WMA, by having petty cash you are able to help your employees when they need an advance in their salaries for emergencies this will help you build relationship with your employees. You will make sure that the WMA maintains a certain amount of disposable cash.

17. Signatories

You create safety for the petty/disposable cash in the WMA by making sure only few people have the authority/power to make decisions on how much they can spend on one issue. This will help operations of the WMA move faster because everyone knows who to go to for financial assistance.

18. Imprest

You need to develop a file that the employees will fill for their cash request to be approved. This will help you have a chronological arrangement on priorities of who needs money the most. The documents will help you collect information on all transactions made within the WMA to build the reputation of your WMA.

19. Daily Substances allowance.

By giving your employees a small amount of money they need to coordinate their day to day activities makes it easier for them to make sure all the WMA's project are successful, the allowances gives a sense of trust to the WMA employees that the WMA is reliable to deliver its financial promises this makes the worker enjoy the work environment.



20. Asset Management (ASSETS).

As a WMA you need to know how you maintain/keep your assets and who is responsible for the assets safety. By looking at these assets we are able to see if the WMA is developing and by keeping count we know how many assets the WMA has acquired.



You probably already have a structure that controls the WMA but are you doing it the right way?, Looking at how many workers you have and how they organize themselves by having few figure heads who coordinate/arrange all their activities in the WMA to make task executions so much easier.

21. Records.

You need a proper way to store all your information to help know all things that are happening and have happened in the WMA. This will give references to all the tasks that you will do in the WMA and also used as reference for donor application

22. Care and repair of assets.

In operation of your WMA the assets used need to be maintained and taken care of to make sure that the tasks of the WMA are facilitated by these assets. This will encourage the workers to be more careful and take care of the WMA assets because they understand that the assets are responsible for generating their income. If the assets are accidentally damaged you will look at how to repair the damages so the assets can keep operating.

23. Asset Code.

You need some way to identify all the assets that are within your WMA and by having

The unique coding for each asset makes it so much easier to know the whereabouts of each asset for the safety of the WMA's and to see if all the assets are properly working.

24. Loss or Damage of assets.

If assets of your WMA get damaged or lost you will know how the asset got damaged and who is responsible for the safety of the assets these details will help the management make decisions on how to deal with the situation and see if you can compensate/fix the asset.



25. Reports.

By noting down all the progress of the assets and activities of the WMA we can track the path of growth of the WMA throughout the financial year, the records help provide legitimate basis of the activities of the WMA

26. Insurance.

You need to protect your WMA from numerous threats such as theft, fraud, fires and much more which could potentially cause financial damage to your WMA. Having insurance acts as a safety net for your WMA against any financial risks, numerous companies provide insurance services that offer you a chance to pick the best offer out of all the insurance companies.



For more information about the insurance for the WMA and its assets read this link, <https://www.tira.go.tz/sites/default/files/Insurance%20Regulations%20of%202009.pdf>

27. Asset stock checks.

You need to check up on all the welfare of the WMA's assets make sure that all the assets work properly, this encourages the employees of the WMA to take care of the assets assigned to them and also see who is responsible in cross checking the welfare of the assets and where does he/she report to about the welfare.

28. Guidelines regarding use of specific assets

Developing rules that will orient/direct on how employees of your WMA should treat the assets assigned to them, this will prevent employees from misusing the assets of the WMA

29. Disposal of assets

When WMA's assets may no longer be productive/useful you make decisions to see if the assets have reached the end of their lifespan or aren't really useful to the WMA you look at how you get rid, repossess or resale these assets.



30. Office management

Your WMA needs a way to moderate/direct all the employees that work for the WMA here we look into ways that will make it easier to communicate and execute WMA tasks. You create a structure of authority that will help you coordinate activities for faster and better execution by letting everyone know what their place is.



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31. Cleanliness

To make work and document navigation easier you need to make the office environment clean and neatly arranged, cleanliness also helps develop and maintain the workers hygiene and health

32. Buildings and furniture

For your WMA to become operational it needs infrastructure such as offices and furniture such as tables and chairs. Having infrastructure helps employees to execute their jobs faster and more efficiently without any self-expense of the employee which creates trust for the employee on the WMA.

33. Safety and security

Your workers need to be safe when they are working. It's your responsibility to make sure you create a safe environment for the employees. The assets and properties of the WMA also need to be secured from threats such as theft and damages therefore everyone in the WMA should know that they are all responsible for safekeeping the WMA's environment. Also you look at ways to further protect the WMA properties.



For more information about ensuring safety of all the WMA's assets and people read this link, <https://www.thewealthadvisor.com/article/7-ways-protect-your-assets-and-properties>

34. Documents and filing

You need a system to record and store all the information you collect as a WMA, by making it easier to collect and keep all the information by the system you have in place will give every employee easy access to information they need and hence work easier.

Finance and Administration policies



35. Environmental Consciousness

Your WMA is an environment driven business. It is important for the workers to know how much the environment affects their jobs so they must become conscious/aware of the importance of protecting the environment. Look at how to minimize negative impacts on the environment and develop means of protecting the environment.



An easy way to create environmental consciousness is through innovation of slogans/policies and to enforce them on the community.

36. HIV/AIDS awareness

To create a safe environment for your employees you have to let them know how to protect themselves from HIV. Your WMA will improve its image towards donors and other stakeholders. Strengthen your employee's unity because they will protect each other against HIV and also comfort the employees who have been affected.