

APPENDICES**Appendix ii**

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23/12/2003

The Headmistress
Laela Secondary School
P. O. Box 1
Laela – Rukwa

Dear Madam;

Re: PARTICIPATION IN THE LAELA SECONDARY SCHOOL ACTIVITIES

Please refer to the above stated subject.

I am interested to participate in carrying out the activities of your organization on part time basis for a period of 18 months.

Currently I am pursuing a postgraduate studies offered jointly by the Southern New Hampshire University and Open University of Tanzania.

This course will run for a period of 18 months beginning in September 2003. As a participant I expect to cover the following subjects;- project design and management, principles and practices of management, survey, monitoring and evaluation, economic and development, financial management, accounting, information management, analysis and presentation and other optional topics.

At the moment we have covered the following subjects;- accounting, introduction to principles and practices of development, cooperative development and project design.

Myself have experience in the following field which I can share with you;-

- proposal writing
- sustainable agriculture
- management
- project planning etc.

My participation in the school activities will be free of charge for the entire period of 18 months.

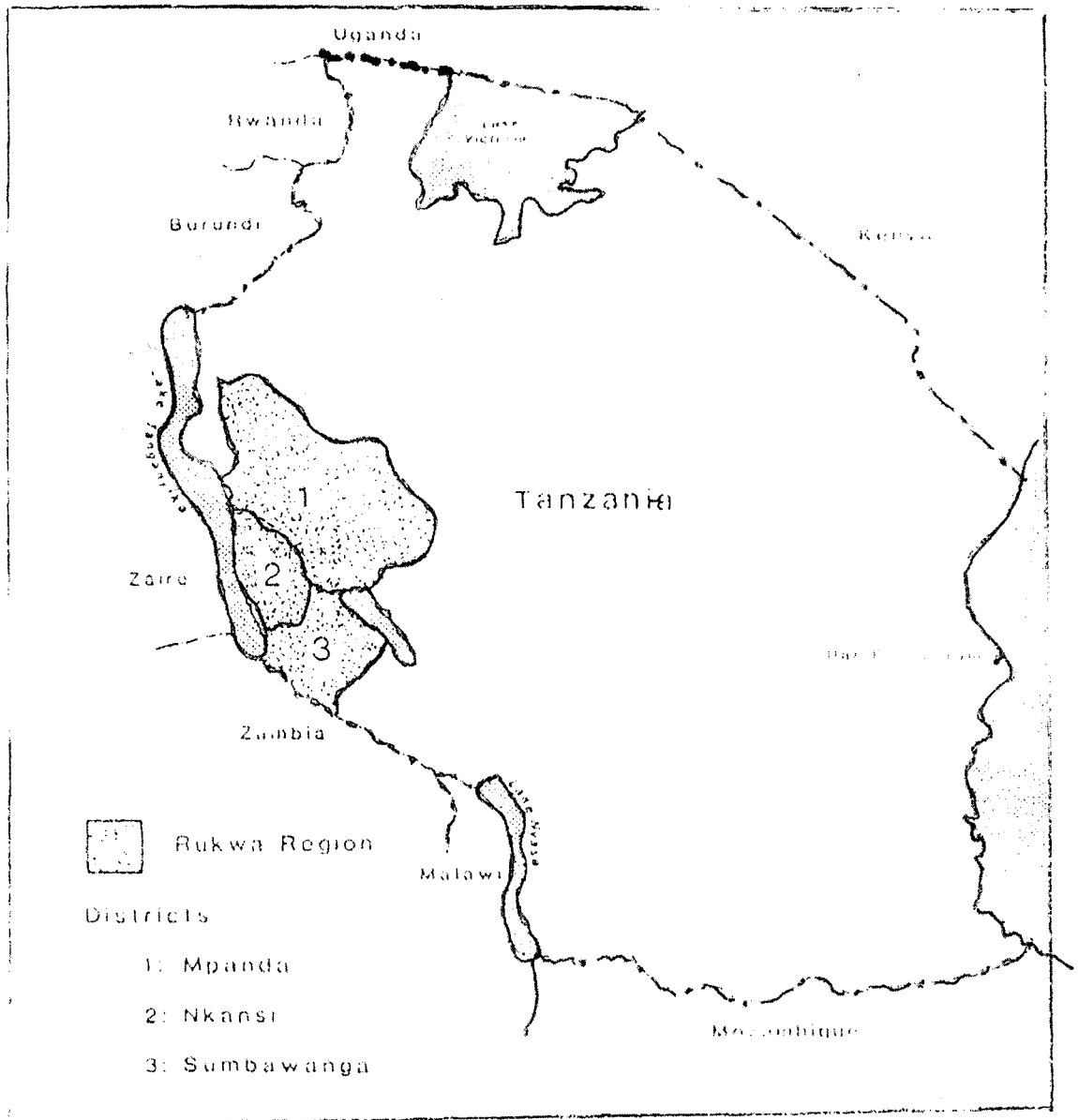
I will appreciate if you can spare sometime so that we can meet and put up a schedule of activities according to your needs.

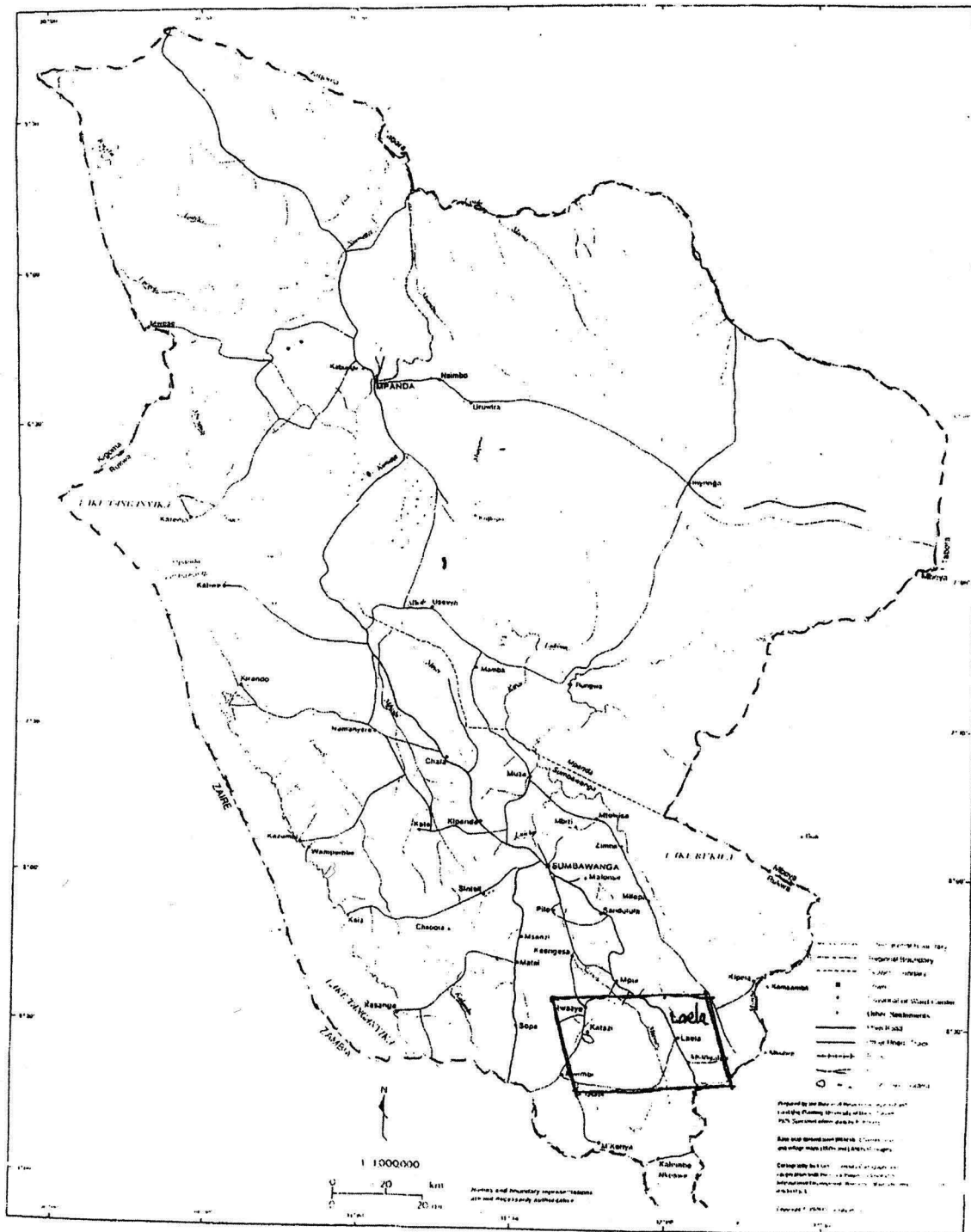
Thank you Madam

Victor Y. El - Nshau

Appendix iii

Map of Tanzania showing the position of Rukwa Region





Appendix v

A brief background of LSS

1.1 Location and physical features of Laela Secondary School mandate area.

Laela Secondary School (LSS) is located in Laela village in Sumbawanga district, Rukwa region. Laela village is located along Sumbawanga - Tunduma road, about 100 km from Sumbawanga town and 230 km from Mbeya municipal. The local people are predominantly Wafipa and farming is their major occupation. Appendices i and ii are the maps of Tanzania and Rukwa showing the location of Laela village.

Altitude in Laela varies between 1200 and 1800 m. The western areas are lower (1200 to 1600 m) and the altitude tend to rise in an easterly direction. The modal slope is very gentle (0.5 – 2) on the north west of Sumbawanga – Tunduma road, gentle (2 – 6) on hilly areas to the north east and moderate to steep (more than 6) to the east , overlooking the lake Rukwa plain (King, 1979).

The mean annual rainfall is 800 mm and the mean annual temperature is about 20 C.

1.2 Background information about LSS

In 1987-88 the priest of Laela parish proposed to the authority of Laela village to build a new primary school because the existing school had no enough rooms for the growing population.

Immediately after commencement of the primary school construction in May 1988 the party chairman of the CCM announced in public meeting in Laela that this new building would become a secondary school. The proposal was received with a certain enthusiasm by the population of Laela and spontaneously some contributions were offered in terms of cash, materials and labour.

In February 1992 Laela Secondary School was opened by condjutor Bishop of Sumbawanga T. Ngalekuntwa. In March 1994 the school was officially registered as a private secondary school owned by Sumbawanga Development Trust (SUDET) and managed by The Bishop of the Catholic Diocese of Sumbawanga. The registration number of the school is S 503.

In the year 2000 SUDET decided to hand over the ownership of school to the Bishop of Catholic Diocese of Sumbawanga after failing to meet its obligations as the owner.

According to the act of National Education no. 25 of 1978; "Owner" in relation to school means ;-

(a) the person who receives the fees paid by or on behalf of the pupil, whether or not the whole or any part of it is expended on the maintenance of the school or for the purposes exclusively relating to the school; or

(b) if there is no such a person as is specified in paragraph (a), the person who has the power to appoint and dismiss the teachers of the school; or

(c) if there is no such a person as specified in paragraph (a) and (b), the person entitled in possession to the premises in which the school is conducted: Provided that where the school is a property of a body of persons, and that body of persons has appointed a person to represent it in matters relating to the school, the person so appointed shall be deemed to be the owner of the school for the purpose of this act.

Moreover the act stipulate that: manager “in relation to any school, means a person who is responsible for the administration of management of that school or of the activities of the pupils in that school, and in the case of any institution or organization giving instructions by means of correspondence delivered by hand or through postal service, the person who is responsible for its administration or management.”

2.3 The objective and activities of LSS

The objective of Laela Secondary School is to provide secondary education in the Laela parish mandate area covering 25 villages as there is no other secondary school in the area despite the fact that each village has at least one public primary school.

The main activity of the Laela Secondary school as the name suggests is to provide secondary education to children who have finished primary school. The school being a commerce bias, concentrates on commerce subjects. Moreover the school is a centre for private candidates of this area who wish to sit for various national examinations. The school also provides evening classes for the students who are interested in office management and typing courses.

1.4 Infrastructures of LSS

LSS has 13 classrooms that meets its target of carrying 320 students in two streams from form one up to form four. It has a land area estimated at 120 acres that is also good for agriculture. Currently the school has hostels for girls that have the capacity of taking 100 girls and moreover there are 7 staff quarters. Three laboratory blocks have been built at the school but require some finishing by putting floor, plastering of walls and fitting ceiling boards. Structures that are not yet built include a library block, assembly and dinning hall, administration block and boys hostels. Currently some of the classrooms are being used to serve other purposes because of few students. Figure 2 in appendix xii is a photograph of a CED course participant, some students and management team of LSS taken in front of classrooms

1.5 LSS academic performance

The first batch of 39 form IV students graduated in 1995 whereby 79% of these students passed the exam and the school ranked the second in the entire Rukwa region. They were ranked number 271 out of 464 schools in the overall performance of Tanzania secondary schools form four exams. For the first three years the performance of school was good till 1995 when the performance started to drop. At that time also the number of teachers increased but they were not qualified teachers as most of them were form six graduates. The school tried to secure teachers from the government on secondment but they were not successful except for the headmasters who have joined the school at a varying periods for a duration of two years only. In year 2003 the school was ranked at 599 out of 623 secondary schools with less than 30 students in form four results.

In an effort of the school to solve the problem of unqualified teachers, the school sponsored 5 teachers to attend teacher's course at diploma level.

Unfortunately out of 5 only two are still teaching in this school while others left looking for “green pastures some where else”.

It seems when these teachers went for training there were no formal (written) agreement with the school as to the duration of service at school after completion of the course. These teachers and others left the school mainly complaining of low and delayed salary payment. The current administration has struggled to look for qualified teachers and now the school has 8 qualified teachers and 3 others are ex-form six leavers.

As mentioned above the school capacity is for 320 students from form one up to form four. With the exception of the first 3 years where the number of students increased, in subsequent years the trend shows that the number of drop out is on the increase. The number of students for each class in year 2003 was as in table 22 below.

Table 1; Number of students for each class in year 2003

Form	Girls	Boys	Total	Capacity level	Deficit
I	12	24	36	80	44
II	27	37	64	80	16
III	7	10	17	80	63
IV	12	17	39	80	41
Total	58	88	156	320	164

Source; LSS attendance report, November 2003

From the above data we observe that, with the exception of form two students each class had more than half dropout. The reason for declining trend of students as mentioned by interviewees were; poor performance of school that does not attract others to join the school in form two and for four exams, lack of qualified teachers, lack of funds to run the school, poverty level and ignorance level of local people as they do not see the importance of educating their children.

1.6 Income Generation Activities of LSS

LSS operates a number of projects in its effort to raise internal funds and to meet food requirement of students. Such projects include

- raising agriculture crops like maize, sunflower and beans whereby these products are consumed by students.
- livestock keeping mainly dairy, pigs and oxen herd; the major products here are milk and pork which is sold to generate income for the school. Oxen are mainly used for different farm operations and as a means of transport.
- an oil press; customers bring raw sunflower for oil extraction and pay for the service. Oil cake is sold to various animal keepers.
- a milling machine; customers come for this service and they are charged for the service they get as an income for the school.

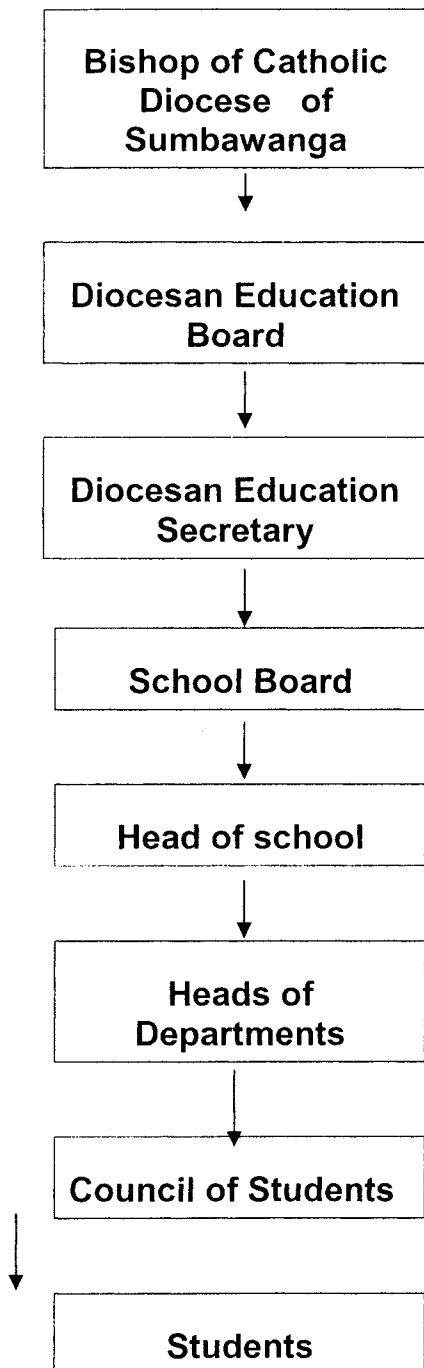
- Vegetable garden; mainly vegetable grown are utilized in the kitchen as food for students.
- School shop; The main objective of the shop is to provide basic services to students within the school compound while at the same time the profit realized contribute to financial sustainability of the school.

1.7 Governance and Management of LSS

As mentioned above this school is owned and managed by the Catholic diocese of sumbawanga. It has a board that is approved by the Regional Commissioner and its functions are same as those of the board of a public schools. According to the national education Act number 25 of 1978 as amended by Act number 10 of 1995; the school Board has the authority to supervise management and development plans of the school, to control the discipline of teachers and students and to control the finances of the school. The supervision of day to day running of the school is the main duty of the head of school. Heads of the department are responsible for day to day running of their departmental activities.

All issues of the students are raised through council of students before moving to the stage above. This structure appears to be a long one and as such may delay the implementation of some decisions. Moreover it does not show fully the internal organization structure as seen below.

Figure 6: Organi-gram of Laela Secondary School



ID	Task Name	Duration	Start	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T
1	Identification of CBO	64 days	Fri 3/26/04																
2	Initial contact to Laela Secondary School	1 day	Fri 3/26/04																
3	Familiarization meetings	2 days	Mon 3/29/04																
4	Collecting background information	27 days	Wed 3/31/04																
5	Needs identification	9 days	Wed 3/31/04																
6	Preparing community meeting	2 days	Tue 4/13/04																
7	Conducting community meeting for needs	3 days	Thu 4/15/04																
8	Problems and needs identification	3 days	Tue 4/20/04																
9	Preparation of work plan	1 day	Fri 4/23/04																
10	Problem definition and objective setting	9 days	Mon 4/26/04																
11	Problem definition	1 day	Mon 4/26/04																
12	Setting objectives	1 day	Tue 4/27/04																
13	Research work	1 day	Wed 4/28/04																
14	Literature review	6 days	Thu 4/29/04																
15	Questionnaire development	34 days	Fri 5/7/04																
16	Setting objectives	1 day	Fri 5/7/04																
17	Writing questions	2 days	Mon 5/10/04																
18	Pre testing questionnaire	31 days	Wed 5/12/04																
19	Determine participants	1 day	Wed 5/12/04																
20	Send letters	1 day	Thu 5/13/04																
21	Pre testing exercise	1 day	Fri 5/14/04																
22	Correcting questionnaire	1 day	Mon 5/17/04																
23	Administering questionnaire	27 days	Tue 5/18/04																
24	Letter distribution	1 day	Tue 5/18/04																
25	Meeting with respondents	1 day	Wed 5/19/04																
26	Filling the questionnaire	1 day	Thu 5/20/04																
27	Collecting the questionnaire	1 day	Fri 5/21/04																
28	Conduct key informant interview	1 day	Mon 5/24/04																
29	Analysis process	22 days	Tue 5/25/04																
30	Analyzing qualitative and quantitative	6 days	Tue 5/25/04																
31	Interpretation	1 day	Wed 6/2/04																

Project: Project Work plan
Date: Mon 10/4/04

Task

Milestone

External Tasks

Split

Summary

External Milestone

Progress

Project Summary

Deadline

ID	Task Name	Duration	Start	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T
32	Developing the account manual	15 days	Thu 6/3/04																
33	Study like vision Institutions	3 days	Thu 6/3/04																
34	Writing of the manual	8 days	Tue 6/8/04																
35	Debriefing the management	4 days	Fri 6/18/04																
36	Training of staff on the us	3 days	Fri 6/18/04																
37	Evaluation	1 day	Wed 6/23/04																

75

Project: Project Work plan
Date: Mon 10/4/04

Task

Milestone



External Tasks

Split

Summary



External Milestone

Progress



Project Summary

Deadline

Appendix vii

Needs assessment checklist

In order to get more insight and remind the respondents about the Laela Secondary School a set of questions were developed as follows:-

Consider the past 3 years in Laela Secondary School

1. What were the major changes

- Resources
- In our activities; number of students, students' performance, Income Generation Activities (IGA) such crop growing, livestock, oil pressing, milling, retail shop.

Did we fare more of or less of

Did we add more of or less of

2. Do we feel in what we do we have a direction? Explain

Strengths and weaknesses in the capacity of Laela Secondary School;

3. Referring to your experience with Laela Secondary School;-

Think of, - the capacity of service delivery,

- internal (Organizational) capacity
- and the fill the following table:

Element of Capacity	Strengths	Weaknesses
Resources <ul style="list-style-type: none"> - Assets - Technology - Human resources;- number and competence - Finance 		
Policies and systems; Accounts, filing, personnel, Job description, personnel Evaluation, employment Contracts etc.		
Structure		
Governance <ul style="list-style-type: none"> - Board meetings - Board roles 		
Management Roles		

4. What changes do we expect in 1) next one year, 2) next three years with regard to resources available, in what we do and in how we work.

	One year	3 years
Available resources		
In what we do		
In how we work		

The participants in this exercise were;

1. Sr. A. Gwera Headmistress of the school
2. Mr. F. Ngailo School Second Master
3. Mr. D. Mkulima Senior teacher at the school since its inception.

Each respondent attended the questions individually and presented, then the final answer were agreed as presented below.

Appendix viii

SELF ADMINISTERED QUESTIONNAIRE FOR LAELA SECONDARY SCHOOL

Objective of the survey: In the recent past Laela Secondary School has not been able to have full capacity students as expected neither did it have enough staff for teaching. On the other hand the school seem to have other necessary infrastructures such as buildings, learning materials, ample land etc. The objective is to assess the needs of the school so that it can continually deliver quality education to its students through self financing mean.

1. Name:.....

2. Sex: male [] female []

3. Age: (years).....

4. Date of interview:.....

5. Education: What is the highest educational level you achieved?

(circle one)

Adult literacy	1
Primary school level	2
Ordinary secondary school level	3
Advanced secondary school level	4
Tertiary education	5

6. What is your relation with school

(Circle one)

Teacher	1
Support staff	2
Student	3
Board member	4
Parent	5
Other (mention.....)	

7. The actual number of students available at the school currently is 98 which is far below the total school capacity of 320 students. What do you think are the reasons for low number of students? (Please give at least one reason but not more than three).

1.....

2.....

3.....

2

8. Currently the school has 5 qualified teachers instead of 14 assuming the school has full capacity students. What do you think are the reasons for low number of teachers at this school? (give at least one reason but not more than three).

i.....

ii.....

iii.....

9. Income generation project for the school include a oil press machine, milling machine, crop growing and livestock keeping. Please give us your view on the availability of progress report of these projects by choosing the most correct statement among the list below;-

- a) Reports are prepared at least twice per year and are available to all concerned []
- b) Reports are prepared at least twice per year but not seen by all concerned []
- c) Reports are prepared only once per year []
- d) No reports at all []
- e) Not sure if reports are prepared []

10. What are the other sources of income for the school?:

.....

.....

.....

11. For each source of income you mentioned above indicate if there are problems in realizing it;

.....

.....

.....

Question 12 and 13 to be answered by board members only by marking the correct answer in the space provided;

12. Does the school board meet regularly as scheduled in the plan? Yes [] No []

13. Did the board member receive any training so that they understand their role and responsibility? Yes [] No []

Questions 14 to 20 to be answered by board members and staff only by marking the correct statement in the space provided;

14. Job descriptions are written for every employee. True [] False []

15. Recruitment procedure is available for the school employees True [] False []

3

16. Every employee has an employment contract. True [] False []

17. Well known procedure for revenue collection and expenditure for the school is in use at the school. True [] False []

18. The filing system for the school written. True [] False []

19. Procedure for employee evaluation is in place. True [] False []

20. Grievance procedure known to every employee. True [] False []

21. After going through this questionnaire please give us your views on what should be done so that the school can achieve its objectives;-

- i.....
-
- ii.....
-
- iii.....
-

Finally we thank you for your valuable time devoted to this questionnaire.

Appendix ix

Check list for key informant interview

- What are your activities?
- Is there a written procedure of handling the school funds? Explain.
- How is your job description written? What are the contents?
- What are the sources of income for the school?
- How do you collect revenue from projects, students, other sources? etc.
- How is the expenditure of money effected.
- What books of accounts do you have and are use?
- How is the movement of stock treated?
- Explain the procedure of salary payment
- How often do you produce reports, who do you target?

Appendix X

Research findings

Table 3: Relation of respondents with school

	Frequency	Percent	Valid Percent
Board member	3	7.3	7.3
Government leader	2	4.9	4.9
Parent	15	36.6	36.6
Student	15	36.6	36.6
Support staff	3	7.3	7.3
Teacher	3	7.3	7.3
Total	41	100.0	100.0

Source; LSS Research, April 2004

Table 9: Number and qualification of teachers in LSS

Qualification/Year	1996	1997	1998-2000	2001- 2002	2003-2004
Degree level	0	0	1	0	0
Diploma level	7	6	9	8	9
Form six level	4	4	1	7	12

Source; LSS Research, April 2004

Table 11: The performance of LSS in national form four examinations when compared with other schools.

Year	Rank	Total number of schools	Percentage
1995	271	464	58
1996	331	506	65
1997	331	543	61
1998	395	611	65
1999	324	660	49
2000	399	660	60
2001	68	186	37
2002	599	622	96
2003	68	180	38

Source; LSS Research, April 2004

Table 12; Reporting for Income Generation Activities

	Frequency	Percent	Valid Percent
Reports prepared twice or more to stakeholders	2	4.9	4.9
Reports prepared twice or more in a year but not distributed	10	24.4	24.4
Not sure if reports are produced	29	70.7	70.7
Total	41	100.0	100.0

Source; LSS Research, April 2004

Table 14: Did board receive any training?

	Frequency	Percent	Valid Percent
No	9	22.0	100.0
Not applicable	32	78.0	
	41	100.0	

Source; LSS Research, April 2004

Table 15: Job description written and clear to workers

	Frequency	Percent	Valid Percent
True	3	7.3	33.3
Not true	6	14.6	66.7
Total	9	22.0	100.0
Not applicable	32	78.0	
	41	100.0	

Source; LSS Research, April 2004

Table 16: Recruitment procedure available in writing and clear to all

	Frequency	Percent	Valid Percent
True	2	4.9	22.2
Not true	7	17.1	77.8
Total	9	22.0	100.0
Not applicable	32	78.0	
	41	100.0	

Source; LSS Research, April 2004

Table 17: All employees have work contract

	Frequency	Percent	Valid Percent
True	4	9.8	44.4
Not true	5	12.2	55.6
Total	9	22.0	100.0
Not applicable	32	78.0	
	41	100.0	

Source; LSS Survey, April 2004

Table 18: Workers evaluation procedure available and in use

		Frequency	Percent	Valid Percent	Cum. Percent
Valid	True	3	7.3	33.3	33.3
	Not true	6	14.6	66.7	100.0
	Total	9	22.0	100.0	
Missing	Not applicable	32	78.0		
Total		41	100.0		

Source; LSS Research, April 2004

Table 19: Grievance procedure available and known by all staff

		Frequency	Percent	Valid Percent	Cum. Percent
Valid	True	4	9.8	44.4	44.4
	Not true	5	12.2	55.6	100.0
	Total	9	22.0	100.0	
Missing	Not applicable	32	78.0		
Total		41	100.0		

Source; LSS Research, April 2004

Table 20: Accounting procedure written and clear to all concerned

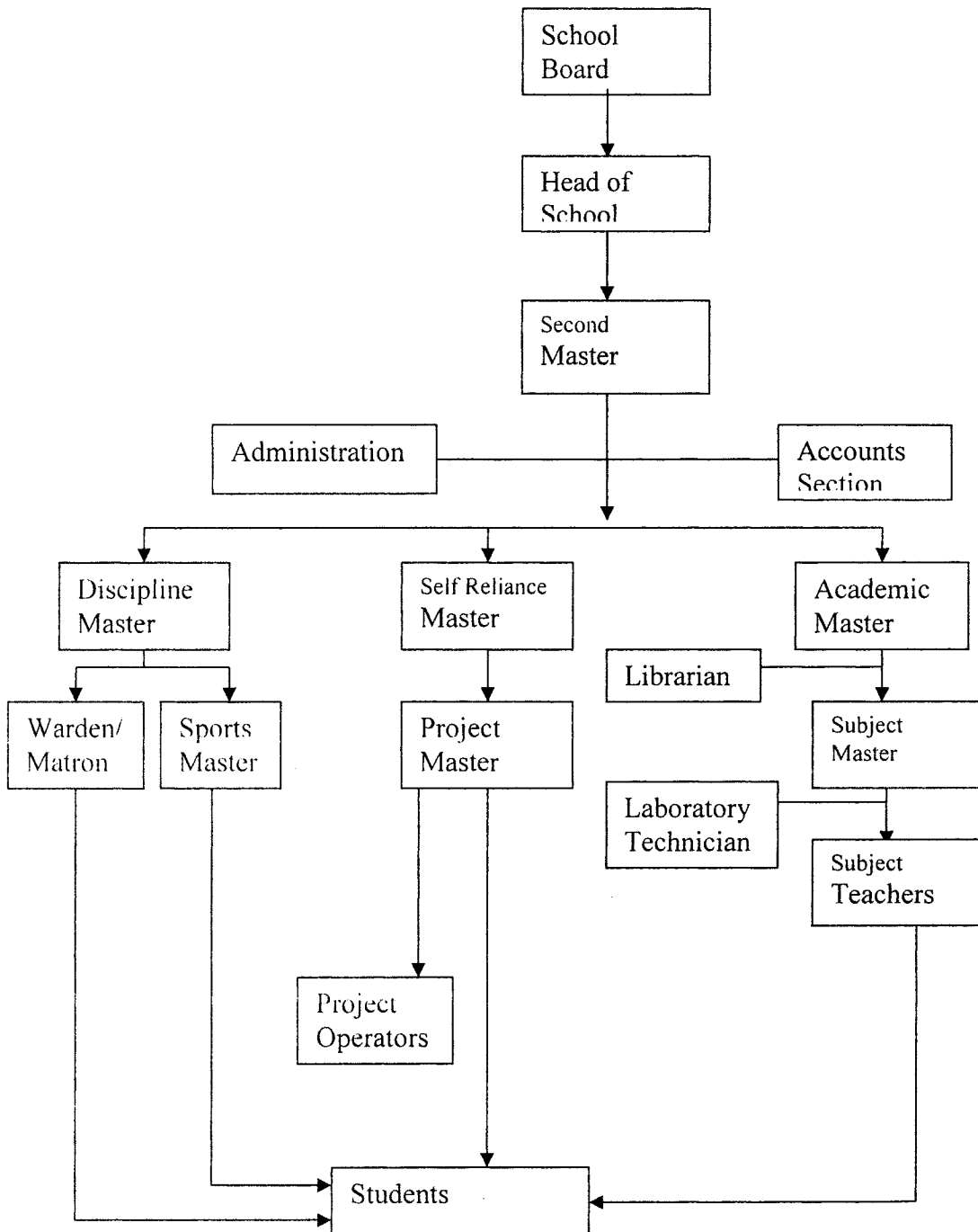
	Frequency	Percent	Valid Percent
True	1	2.5	11.1
Not true	8	19.5	88.9
Total	9	22.0	100.0
Not applicable	32	78.0	
Total	41	100.0	

Source; LSS Research, April 2004

Figure 7: Monthly Cash summary form

FOMU YA FEDHA KWA MWEZI.....	MWAKA.....
Fedha taslimu sanduku/mikononi	Fedha katika Benki
MAPATO	MATUMIZI
Direct income of the school	Matumizi ya kawaida ya shule
1. Zilizokuwemo mwanzo wa mwezi/muhula	1. Kununua vifaa vya ofisi.
2. Makusanyo ya ada	2. Kununua vielelezo (pedagogical means)
3. Michango mingine ya wanafunzi	3. Ununuzi wa chakula
4. Mengineyo	4. Ununuzi wa kumi
5. Ruzuku toka.....	5. Mishahara wa watumishi
6. Zawadi	6. NPF
7. Riba toka hazina katika benki	7. Usafiri na posho kwa semina za watumishi
	8. Matibabu ya watumishi
	9. Ukarabati wa majengo na zana
	10. Michezo na sherehe
	11. Mitihani
	12. Mafunzo ya watumiishi
	13. Mengineyo
Miradi	Miradi
1. Mauzo ya mazao	1. Gharama za mashamba
2. Mauzo ya mifugo	2. Gharama za mifugo
3. Mauzo ya mafuta ya alizeti	3. Gharama za kununua alizeti na kuikamua
4. Mapato ya mashine ya kusaga	4. Gharama za mashine ya kusaga
5. Mapato ya	5. Gharama za
Kuweka benki na mikopo	Kuweka benki na mkopo
1. Kutoka benki (withdrawals without interest)	1. Fedha iliyo wekwa benki
2. Kurudishiwa mikopo	2. Mikopo kwa watumishi
Jumla ya mapato	Jumla ya matumizi
BAKI KATIKA SANDUKU.....	SAHIHI YA MTUNZA FEDHA
BAKI KATIKA BENKI.....	SAHIHI YA MKUU WA SHULE

Appendix XI
LSS Organization chart



Appendix xii

Figure 2: The CED course participant and some students and management team of LSS posing for a group picture in the school compound.



Figure 3 shows the CED course participants facilitating one of the needs assessment session in LSS.



Appendix XIII

THE PROPOSED ACCOUNTING MANUAL FOR LAELA SECONDARY SCHOOL

Introduction

The accounting has been prepared following the request made by the management of Laela Secondary School (LSS). Their request was supplemented by in depth study that revealed lack of proper financial records, accountability, transparency and lack of financial reporting and evaluation have contributed to the failure of school to achieve its objective of providing secondary education. There is no way the school can measure its performance without maintaining proper financial records because its activities are finally expressed and are measured in monetary terms.

This manual mainly adheres to Tanzania Statement of Recommended Practice No. 2: Basic Record keeping and Accounting Practices for NGO's in Tanzania. It is prepared on consideration that LSS has no accounting system that complies with official standards and as such the proposed manual is made simple but it enhances transparency, accountability and financial reporting.

This simple accounting manual consists of recommended instructions which cover:-

- ↳ The accounting system operated by the school
- ↳ The preparation of budgets
- ↳ The provision of information to management on the performance of various activities in the school
- ↳ The control of assets and liabilities including fixed assets of the school

The purpose of the accounting manual include:-

- To describe the main accounting procedures operated by the school
- Explain the main accounting principles adopted by the school
- Ensure uniformity in the accounting procedures and principles throughout the school
- Provide a ready means of reference in order to explain the accounting system and financial management information to staff and management of the school.

Section A

1.1 The proposed organization structure of the Laela Secondary School (LSS)

The proposed organization structure of LSS is as shown in appendix xi.

1.1.1 Staff position and number

Head of School	1
Assistant Head of School	1
Discipline master	1
Self reliance master	1
Academic master	1
Other teachers	11

Office supervisor	1
Secretary	1
Messenger	1
Accountant	1
Cashier	1
Store keeper	1
Librarian	1
Technicians	2
Warden and Matron	2
Driver	1
Cooks	4
Watchmen	2

1.1.2 Responsibilities of the school Board

- ⇒ Board has the authority to supervise management and development plans of the school,
- ⇒ to control the discipline of teachers and students and
- ⇒ to control the finances of the school.

1.1.3 Duties and functions of the Head of the School

- ⇒ The supervision of day to day running of the school is the main duty of the head of school.
- ⇒ Accounting officer of the school
- ⇒ Supervises all department including accounts section
- ⇒ Coordinate all departments of the school
- ⇒ Supervises the preparation of school budget
- ⇒ Secretary to school board

1.1.4 Duties and function of heads of department

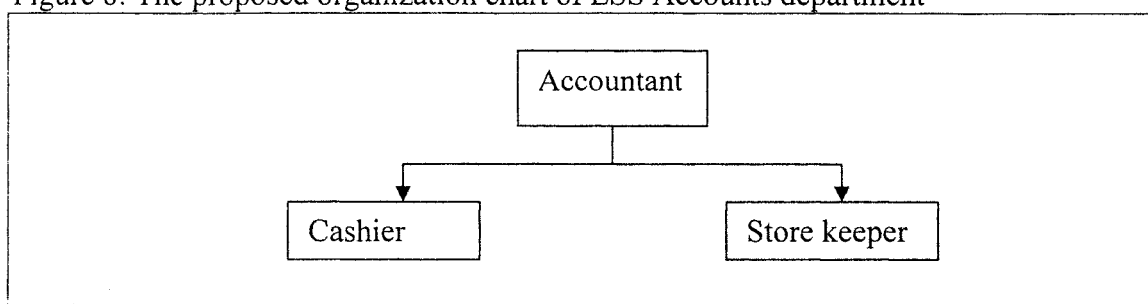
Heads of the department are responsible for day to day running of their departmental activities.

1.2 The organization and responsibilities of accounts department

1.2.1 The organization of LSS Accounts Department.

The organization of LSS accounts department is set out in figure 4 below. The department is headed by the accountant who is responsible to the head of school.

Figure 8: The proposed organization chart of LSS Accounts department



Source: Own source; December, 2004

1.2.2 The department has the following main functions:-

- Financial accounting
- Cash
- Salaries and wages
- Stores

1.2.3 Responsibilities of the department

The responsibilities of accounts department are as follows:-

- To maintain the books of accounts and other records of all the accounting transaction of the school.
- To provide accounting information which is required by management to plan and control all the activities of the school.
- To comply with the statutory and school accounting standards and other requirement.
- To operate satisfactory accounting service over the assets and liabilities and all outside transactions of the school
- To amend and develop the accounting principle and procedure in the light of changed circumstances (internal and external).
- To provide a general accounting service to the board of the school and to management and to provide other information not presented on a routine basis.

1.2.4 The objective of store keeping

- ⇒ To facilitate fast location of the required material
- ⇒ To facilitate speedy receipts and issue of materials
- ⇒ To provide full identification of all materials at all times
- ⇒ To give details on request of various balances in the store with the minimum delay

1.2.5 Responsibilities of the accountant:-

- Assist in determining the financial objectives of the school
- Advice and assist the board and the management on the preparation of budget of the school
- Ensures and follows up collection of school fees, donations, grants, etc.
- Ensures that the periodic income and expenditure of the school is prepared and compared to the budget.

- Interpret and explains the results shown by the periodic reports to management and to the board.
- Indicates where action for improvement of performance are necessary and assist in taking actions where required.
- Ensures that all the school transactions are authorized and controlled in accordance with the agreed procedures.
- Prepares the financial statement of the school ready to be audited by external auditors. Moreover he/she will present the audited financial statement to the management and the board.
- Supervises the accounts staff.

1.2.6 Duties of Store keeper

- ☞ To receive and store materials for use in the school
- ☞ To keep the materials and goods received in store well arranged and to ensure they can be easily located
- ☞ To ensure issuing the materials which are duly authorized
- ☞ To make sure that unauthorized people are not allowed to enter into the stores
- ☞ Ensure proper recording of receipts and issues of the stores
- ☞ To check balances of stocks periodically and carry out reconciliation between ledger and stock cards.
- ☞ To requisition stores once the replenish level is reached
- ☞ To carry out physical stock taking

Section B

1.0 The sources of funds for the School

The main sources of funds for LSS are:-

- ☞ School fees
- ☞ Income generation activities
- ☞ Donations and grants
- ☞ Any other legal means

Section C

1.0 Accounts codes

Codes are necessary to have symbolic presentation of various categories of data that is designed to facilitate the recording and transmission of such data between the various sections of the school. Accounts codes represent a list of classified items, together with the symbols used to represent relative groups of items, that is used consistently within the school by the people charged with the preparation of the accounting system.

The accountant has the overall responsibility for the accounts codes. He/she must authorize any expansion or deletions of codes before being implemented.

Details of the main general ledger codes are given in appendix xii. The coding system has been arranged in such a way that additions or reductions of other codes are possible.

Section D

1.0 Basic accounting routines

This section deals with data collection, processing, control and accounting treatment required to operate the basic accounting system.

The basic accounting system includes the following major routines:-

- ↳ Purchase accounting
 - ↳ Sales accounting
 - ↳ Pay roll payment
 - ↳ Cash receipt and payment
 - ↳ Accrual and prepayment
 - ↳ General and subsidiary ledgers
 - ↳ Stores accounting
- ✧ The responsibility lies to the departmental heads in ensuring that their subordinates follow the procedures of the above mentioned routines and that any modifications required are requested of and approved by the accountant.

1.1 Purchase accounting

1.1.1 Purpose

To describe the system and procedures to be followed in accounting for the purchases of goods for the school.

1.1.2 The main features of the system are as follows:-

- The user section raises the purchase requisitions, obtain the appropriate authorization and pass the requisition to the accountant.
- The accountant will raise the local purchase order.
- The store keeper will organize the receipt of goods into the store or to the section that requested the goods. Goods received note will be raised for all goods received.

1.2 Sales Accounting

1.2.1 Purpose

Is to describe the system and procedures to be followed and the documentation to be used in recording sales.

The objective of sales accounting system is to ensure smooth sales operations following the set out credit policy by the school. The aim is to avoid bad debtors while at the same time safeguarding potentially lucrative credit sales.

1.2.2 Responsibility

The accountant will have the overall responsibility of supervision of sales and reinforcing the credit policy of the school. The cashier will have the responsibility of making daily collections from each project by reconciling the amounts in the project cash sale and the physical cash brought and ensure prompt banking. The project operators will ensure proper collection and recording of sales in their cash sales and remit the same to the cashier daily.

1.2.3 The summary of the system

The school projects are the following:

- i. Production of annual crops
- ii. Livestock rearing
- iii. Oil extraction project
- iv. Hammer mill
- v. School shop

The main features of sales accounting are:-

- The customers usually make a physical visit to the project site.
- The project operators attend customers in their premise and only on special circumstances will refer them to the cashier or any senior officer.

1.2.4 Sales procedures

- ☞ Customers enquiry and order acceptance
- ☞ Customers paying cash
- ☞ Credit sales
- ☞ Customers deposits
- ☞ Collection of goods
- ☞ Stores issue vouchers
- ☞ Daily and monthly accounting routines

1.2.5 Relevant documents

These include;-

- ☞ Cash sale
- ☞ Cash book
- ☞ Sales Day book
- ☞ Invoice
- ☞ Sales ledger card
- ☞ Delivery note

1.2.6 The accounting routines

At the end of the month the following accounting routine will be implemented;-

The invoices that are recorded serially in the Sales Day book will be posted to general ledger by debiting debtors and crediting Sales. Moreover in the subsidiary ledger all individual debtors will be debited with due amount.

All receipts from customers will be recorded serially in the receipts cash book and debiting cash account. In the general ledger the amount will be credited to debtors control account and in the subsidiary ledger the individual accounts will be credited.

1.2.7 Quarterly Statement of Account

The customers with aged debit will be summarized and reported to the head of school for further action

Quarterly statement of account will be prepared and the customers with long outstanding debit will be served with warning. Failure to respond to the warning will lead to legal action taken by the school against defaulters.

1.3 Pay roll accounting

1.3.1 Purpose

To describe the system and procedure to follow and the documentation to be used in preparing the pay roll for employees.

1.3.2 Responsibility

The accountant is responsible for the proper implementation of the relevant accounting procedures, the control of disbursement and for ensuring that proper records of employees are maintained. The head of school is responsible for all engagement, discharges and changes of the school manpower.

1.3.3 The main features of the system are:-

- The cashier opens a payroll card for each employee detailing personal information.
- Towards the end of month the cashier will prepare the payroll for the month.
- Overtime worked during the month is added to the basic pay of an employee to get to the gross income.
- The cashier will calculate from published tables the PAYE deductions, deductions such as providence fund and other deductions as recorded down.
- The cashier will calculate the amount payable to each employee.
- At the end of month a cheque for the total net amount payable is prepared and an equivalent amount is drawn from the bank.
- The cashier will distribute the pay ensuring that each employee signs the payroll.
- The accountant records the payroll in the journal.
- The cashier will record the net salary in the payment voucher and ultimately in the cash book while the accountant will journalize the deductions.

1.3.4 Accounting entries

A payment voucher will be prepared for the net salary as per payroll summary sheet and the amount will be debited to net salaries control account.

At the same time from the payroll summary sheet, a journal voucher will be prepared containing the following entries:-

- DR. Basic salary account
- DR. Overtime allowance account
- DR. Any other allowance.
- DR. NSSF employers contribution account.
- DR. Employers contribution to pension scheme account
- CR. PAYE account
- CR. NSSF account for both employee and employers contributions.
- CR. To staff NIC insurance policies account.
- CR. Mid month salary advance account.
- CR. House rent recovered account.
- CR. Staff loans and advances account.
- CR. Net salaries control account.

1.4 Cash receipt, payment and bank accounting

1.4.1 General principles:

The purpose of this section is to describe the system and procedure to be followed and the documentation to be used in the control of cash and in the accounting for receipt and payments.

The objective of the cash system is to ensure control of cash receipt and payments and to provide prompt monthly summary reports on the standard journal vouchers for posting to the general ledger.

1.4.2 Responsibility:

The cashier is responsible for the custody and control of all cash record under the supervision of the accountant. The school operates bank account at NBC Ltd.

Sumbawanga branch. The ultimate responsibility for the smooth and correct operation of this account lies with the accountant as directed by the head of school following laid down policies by the school board.

1.4.3 Documents:

The document required to operate cash system include:-

- ↳ Cash book
- ↳ Receipt vouchers
- ↳ Payment authorization vouchers
- ↳ Bank reconciliation statement
- ↳ Paid stamp
- ↳ Petty cash book
- ↳ Journal voucher

1.4.4 Procedures

1.4.4.1 Cash receipts procedures

- All incoming cheques and other inward remittances will normally be received in the head of school office in the first instance. After entering the necessary details in the incoming mail register and issuing the necessary acknowledgements, these documents will be passed to the accountant.
- The accountant will scrutinize them and pass over to the cashier with the direction concerning their disposal.
- The cashier will then take the following steps:-
 - Cross any open cheques.
 - Prepare a bank pay-in-slip in duplicate
 - Retain any credit transfer advice in a temporary file until these have being confirmed by the bank. They should be identified with any available documentation but will be treated as collection of the day when the bank's notification is obtained.
 - Issue receipt vouchers (sample receipt see appendix xiii) where appropriate and send a copy of these to the appropriate person for ledger posting.

- Enter in the “total cash” column the total of cash received for the day and the details of all receipts should be coded and entered into their appropriate analysis columns. Any supporting documents should be retained and filed in the cash office.

- All amounts received by the close of business each day and other valuables will be locked in the safe. The safe should be of dual control type. One key is held by the cashier while the other copy is held by the accountant. The cashier will bank the cash collection intact in the following day or as directed in the school policies.

1.4.4.2 Cash purchases and payments

- ☞ Duly certified invoices along with supporting documentation will be received from the purchasing personnel. On the basis of these the cashier will prepare a payment authorization voucher (PV) in duplicate.
- ☞ Both copies of the voucher, along with the invoices and the supporting documents will be sent to accountant for authorization.
- ☞ Before authorization the accountant will scrutinize all the documents for adherence of the school procedures, contracts and authority levels, arithmetic correctness, proper accounts coding, budgetary limits and the availability to funds in the bank.
- ☞ All payments must be paid based on payment vouchers approved by the accountant and the head of the school.
- ☞ The approved vouchers are returned to the cashier, who will effect payment and makes the correct adjusting entries. The original PV is filed along with the supporting documentation while the copy accompanies the cheque to the payee.

1.4.4.3 Signing of cheques:-

- ☞ When the cashier has received the duly authorized PV will prepare necessary cheques. All documents authenticating payment will then be stamped “PAID” and date, cheque number, amount and account code are entered in the document. All cheques must be crossed indicating that only the payee should be paid.
- ☞ All cheques will be signed by three officers from two groups. The two groups from which the signatories should be drawn are:-

- (a) The executive group:- - Head of school
- Diocesan Education secretary
- (b) The finance group:- - Accountant

Cheque signatories will not sign blank cheques under any circumstances. When there is change of designated signatories, the bank must be informed immediately to note the change and amend the list of signatories.

- ☞ The signatory in the account department will sign first
- ☞ Cashier will collect the signed cheques and arrange to pay net-pay cheques at a convenient time. The original of all PV's will be filed by the cashier and the copy of net-pay PV will be filed in the pay-roll file. Other cheques will be handed to the appropriate persons, along with their copies of PV.
- ☞ Officers receiving cheques are responsible for the safe custody or dispatch to the appropriate authority. The copies of PVs will be the basis on which standard journal vouchers will be raised to effect posting to the general ledger accounts or purchases ledger accounts as appropriate.

☞ The cashier will then file all the documents as appropriate.

1.4.4.4 The petty cash imprest system.

- (a) Expenses which are not required to pass through the purchase ledger and which may be drawn in cash by submitting a duly authorized petty cash payment authorization voucher (sample petty cash voucher see appendix xiv) to the cashier are paid through petty cash imprest float.
- (b) PVs must be approved by the accountant who will scrutinize the same to ensure that all the procedures for the authorizing payments have been followed. Claims for travelling and subsistence allowances must conform to the scale of allowances approved by the Board.
- (c) In order to assist smooth operation of the cash office, petty cash payments may only be made at restricted times to be specified by the accountant.
- (d) In addition to cash book, cashier will also maintain a petty cash book.
- (e) Beginning with a fixed float of say TZS 200,000 the cashier will make disbursements a up to a bottom limit of 10% of the fixed float or up to each working Monday, whichever comes first. Both these levels will be reviewed up or down from time to time depending on cash need and availability.
- (f) No re-imbursement to the petty cash float shall be made unless the petty cash book has been totaled up, and the balance cross checked if it tallied with the balance of the physical cash count. A petty cash certificate is prepared as the basis for authorizing and re-imbursements.
- (g) The cashier will enter the totals of the petty cash payments and the individual amounts in the appropriate analysis columns on a daily basis. The petty cash book should be maintained neatly, correctly and up to date. The accountant may demand surprise counts at irregular intervals to counter check on the correctness of this record.
- (h) A physical count is also necessary at the end of each month and at the end of the year for the sake of the final accounts. This later count will be done as part of the physical stock count at the end of the year.
- (i) At the end of each month the cashier will prepare a standard journal voucher crediting petty cash control account with the payments made and debiting the individual general ledger or personal accounts. The deposits into the petty cash will be obtained from the main cash book's standard journal voucher analyzing the later payments at the end of the month.

1.4.4.5 Bank Reconciliation Statement:

- The Accountant is responsible for the preparation of bank reconciliation statement.
- The cashier will go through monthly bank statement and identify items that are in the statement but are missing in the cash book and cause the arithmetic difference of a particular day. Such items include interest charged/credited, bank charges, dishonoured cheques and un-presented cheques. These items and any other discrepancies must be investigated immediately and corrective measures taken.

1.4.4.6 Security of cash and other accounts documents

- i. All cash and other valuable items must be locked up in a safe. These include items like receipts, cheque books and others. A separate cash box housed in the main safe will be used for petty cash. The safe will be opened only by two keys, one of which will be held by the cashier and another copy by the Accountant so that none of the two can open the safe alone.
- ii. The cashier will keep the only key of the petty cash box while the Accountant will be responsible for the physical presence of the petty cash box in the main safe and not the content of the box.
- iii. Another full set of the safe and petty cash box keys should be lodged with the bank, where it can be reached only with written authority of the cheque signatories as if they were signing a cheque.

1.5 Accruals and Prepayments:

1.5.1 Purpose

The purpose is to describe the system and procedure to follow and the documentation that will be used in calculating and accounting for accrued income and accrued and pre paid expenses at the end of the month or year.

1.5.2 Responsibility

The Accountant is responsible for raising the journal vouchers for the accrued income and accrued and prepaid expenses.

1.5.3 Summary of the system

In any accounting system there is always an income or expenditure relating to that period that for which the invoices are not issued to customers or received from suppliers during the period. There is also an occasion when the payment is made in advance. These transactions are known as accruals and prepayment respectively. If they occurred they must be recorded in the books of account at the material time so as to reflect the true financial situation of the period in question.

1.5.4 The main features of the system are:-

- a) The preparation of journal vouchers for accrued income and accrued expenses.
- b) The posting of the journal vouchers into the books of the accounts.
- c) The preparation of journal vouchers to reverse in the next period the journal vouchers prepared in (a) above.
- d) The posting of the reversal JV into the books of accounts.

1.5.5 Description of accrual and prepayments

Income accruals

- These include all revenues relating to the period for which invoices are not issued.
- Revenue where cash is not received in the same period/year to which the income relates.
- Credit sale items where invoices are not issued in the same period to which the sale relates.

Expense accruals

Expense accruals covers all outstanding expenses that have been recorded down in accounts books. The amounts which have not been recorded are calculated and duly charged to the related accounting period as they are incurred rather than when payment is effected.

The most common expenses to be accrued include;-

- * Electricity
- * Water
- * Loan interest charge
- * Depreciation
- * Telephone
- * Goods and services delivered but which invoices have not been received.

Expenses prepayments

There are certain expenses that are usually paid in advance and these include leave pay, insurance, subscriptions etc. This necessitates to make adjustments for these items in the accounts to ensure that expenditure is accounted for in the period to which it relates.

These adjustments are made by means of prepayment accounts.

Preparation of Journal Vouchers

It is the duty of the accountant to ensure that journal vouchers for the accrued income, accrued and prepaid expenses are duly prepared ready for the posting into the general ledger. In the following period will prepare reverse JV for those items.

1.6 Stores Management**1.6.1 Introduction**

The school purchases materials for its department use such as food stuff, stationeries, shop materials, fuels etc. These goods require proper management and control in order to control their movement. These need to be accounted for properly in the store.

The relevant accounting records and documentation should be maintained. The most common forms used in store include Goods Received Note (GRN), stock records, issue vouchers and annual stock taking sheets.

The stores accounts shall be maintained such that the balance appearing in the general ledger and the stock subsidiary ledger, tally with the bin card and the actual physical balance of stock. It is the responsibility of the account staff to verify the inventories regularly.

1.6.2 The procedure of trading

- ☞ The schools procedure of procuring materials and their issues to the project include the policy of purchasing, receipts, stocking and delivery to different departments of the school.
- ☞ On local purchase policy the school, has to ascertain demand of various goods, re-ordering levels and the same must be substantiated by the replenishment schedule. In order to ascertain the availability of goods with the suppliers the stock local purchase order (LPO) should be forwarded to the supplier to deliver the goods on agreed terms.

- ☞ Regular follow up of the LPO will be made by stores personnel to avoid unnecessary delay in receiving the goods.
- ☞ When the goods with relevant supporting documents such as invoices/cash sale, receipts, delivery notes etc, are received the goods received notes (GRN, see appendix xvii) will be prepared to acknowledge receiving the goods in good condition. The goods will be stocked properly in the store taking all precaution to avoid damage or loss. The GRN should be accounted for in bin cards as well as in subsidiary ledgers with the detail of suppliers, description of goods, the quantity received and the condition of goods.
- ☞ When transferring the goods to other departments of the school the requisition will be raised and finally an issue voucher in triplicate. One copy of the issue voucher will be a supporting document to the journal voucher which will be record the department cost as:-

DR: Department cost

CR: Stock account

Summary of Stock transaction is as indicated below;-

- | | |
|----------------------------|--|
| (i.) Purchase of Stocks | DR: Stock account
CR: Trade Creditors |
| (ii) Issues to departments | DR: Individual department
CR: Stock account |
| (iii) Cash purchases | DR: Stock account
CR: Cash account |

1.6.3 Stock valuation and reconciliation of records:

- The reconciliation in terms of quantities of opening stock, purchases, sales, and closing stock for the individual item will be made regularly and discrepancies investigated by an appropriate official.
- To verify the accuracy of balances in stock subsidiary ledgers (financial stock records) and that of the General ledger reconciliation between the stock ledger, at mid year/year end, and the final stock-taking summary and the general ledger will be made. The financial stock records will be recorded with stock values made on weighted average cost.

1.6.4 Stock Taking procedure:

In order to manage and control stocks periodic stock taking is quite essential on weekly, monthly, quarterly or annually. By carrying out stock taking the management is enabled to establish stock movement and physical stock balances reconciled with stock records such as bin cards and stores ledger balances.

- ☞ Periodic stock count will be conducted by the appointed officials.
- ☞ These balances will be reconciled with bin cards (sample bin card see appendix xix) and stores ledgers.
- ☞ The stores ledger containing receipts and issue records will be costed and balances will be reconciled with physical count.

- ✎ The counted stocks will be recorded in stock taking sheets (see appendix xviii) and any discrepancies must be reported to the Head of school for remedial action.

1.6.5 Stores identification

- ✎ In the case where the school has more than one store, the management will accord each store an identification symbol such as a, b, c, etc.
- ✎ Each store will maintain its records of stores movement.
- ✎ Each store will have its own ledgers and bin cards for control of stock movements.
- ✎ Stock verification for each store will be submitted to the Head of school periodically.

1.6.6 Stores accounting and Valuation

- ✎ All stores movement will be properly accounted for in the relevant accounting records and documents for better internal control
- ✎ The inventories will be valued on FIFO or on weighted average method.

1.6.7 Coding for stores

As indicated in appendix xiv the codes for stores are 401 to 410.

1.6.8 Stores building:

Stores buildings should be robust enough to avoid losses which can otherwise occur to stocks as a result of fire, burglary and other calamities. Preferably stores walls should be made of burnt clay bricks or cement sand blocks and windows and doors made of hard wood. Moreover besides hard wood made doors and windows they should also be strengthened by grill. The most common materials used for roofing are the corrugated iron sheets.

1.6.9 Insurance

At the beginning of the financial year the management will ensure that all stocks are adequately insured against fire, burglary and other possible damage so that when the damage occurs the school can be refunded.

1.7 General ledger posting

1.7.1 General principles

The general ledger will be the principle book of accounts in the LSS accounting system. All transactions will ultimately be recorded in the general ledger in double entry form. Every month the individual account balances will be extracted from the general ledger and listed in the form of a trial balance, from which the accounts for the period may be prepared.

The purpose of this section is to describe the procedure and the documentation to be used in posting all transactions in the general ledger

1.7.2 Responsibility

The accountant is responsible for assembling the necessary posting documents and ensuring that they are correctly posted in the relevant books.

1.7.3 Summary of the system

All transactions are recorded in the general ledger, usually in the form of control total extracted and posted at the end of each month. Transactions that do not go through any summaries or any day books, or those involving correction of errors or exceptional events are posted in detail as they occur. Posting is done by means of a journal voucher. The JV contains certain feature as indicated below;

- Indicator as to whether the posting being made is a debit (DR) or credit (CR).
- Code number of the account being posted.
- Brief narration of transaction being recorded.
- Amounts being posted. Where several accounts are being posted against an individual debit (or credit), the totals of these several accounts must agree in total with the other side i.e. the relevant debit or credit, and hence ensuring double entry posting.
- Column indicating the source document from which the posting has been prepared.
- Each month, the accountant will ensure that all JV's will be prepared by signing off the list of these vouchers.
- The accountant will make sure that after posting all control accounts balances with the related ledgers (cash book control, petty cash control, purchases summary, payroll analysis). At this point the accountant can extract a trial balance for preparation of monthly information

1.7.4 Documents

Documents used in operating general ledger include:-

- ↳ Payroll summary figures
- ↳ Payroll employers contribution
- ↳ Bank reconciliation statement
- ↳ Accruals
- ↳ General journal vouchers

Section E

1.0 Preparation and control of Annual Budgets

1.1 Purpose

The purpose is to outline the objectives of budgetary control and to describe the system and procedures to be followed and the necessary documentation to be used in the preparation of the annual budgets.

1.2 Responsibility

The Head of the school is responsible for timely preparation of the budget for the school. Head of departments are responsible for budgeting and for the control of expenditure in their respective departments. The accountant is responsible to the head of school in consolidating of the departmental expenditure requirement and for coordinating the budgetary process in the school

1.3 The objectives of budgetary control

- * Establishment of budgets for each department of the school and any available projects. Identifying the income to be earned and the expenditure to be incurred in order to meet the objectives of the school.

- * The continuous comparison of budget figures with the actual results.
- * Continuous action to be taken as a result of the comparison above. This can be some adjustments towards the set objectives or continuation with the set objectives.

1.4 The functions of budgets include the following:-

- ⇒ They indicate the amount and timing of future financing requirement for the school
- ⇒ They provide basis for taking corrective action in the event budgeted figures do not match actual or realized figures
- ⇒ Budgets provide the basis for performance evaluation and control.

1.5 Budgeting procedure:-

Each department, following the recent past year's budget experience will determine future cash flow. The department will plan for its future cash receipts, cash disbursements, net change in cash for the one year period and new financing needed.

Section F

1.0 Accounts Preparation

1.1 Introduction

The Laela Secondary School will be required to submit its financial statement to the external auditors within a specified period fixed by school board and following the regulation set by National Board of accountant and Auditors (NBAA).

This section describes the system and procedures to be followed in the preparation of periodic and annual financial reports for the management and external auditors.

1.2 Responsibility

The accountant will be responsible for the compilation and preparation of the periodical and end of the year financial report within the set period by the school board.

1.3 Summary of the system

The preparation of the accounts reports involve the following:-

- Extraction of trial balance
- Adjustment of trial balance
- Preparation of financial statements
- Preparation of selected statistics and statements for management information.

1.4 Documents

The required documents necessary for the preparation of financial reports are:-

- ↳ The extended trial balance
- ↳ Profit and loss account
- ↳ Balance sheet
- ↳ Cash flow statement
- ↳ Receipt and Payments statements

1.5 Some financial statistics for management information

Important financial statistics are required periodically by the management and the board in order to make decisions. Examples of the necessary reports are:-

- Recent summaries of key performance indicators such as profitability ratio, efficiency ratio, leverage ratio and liquidity ratio.
- Production volume
- Production trends

- Comparative annual operational statements, actual versus budget
- Capital expenditure during the year, actual versus budget

Section G

1.0 Accounting for Fixed Assets

The fixed assets are acquired for use in the day to day operations rather than for immediate sale or disposal and are not usually converted into other forms of assets. They are durable in nature and therefore long lived. The costs of fixed assets are not therefore charged wholly in the income statement of the accounting period in which they are incurred. Rather, this cost is written-off proportionately over all the years that benefit from the use of that asset.

The assets of the school can be classified into the following groups:-

- Farm area
- Buildings
- Equipment
- Machinery
- Furniture

1.1 Purpose

The purpose is to describe the system and procedure to follow and the documentation to be used in accounting for fixed assets

1.2 Responsibility

The school board will be responsible for any expenditure of fixed assets. The Head of school will ensure that all school assets are properly controlled while the responsibility of proper recording rests in the hands of the accountant.

1.3 Summary of the system

The main features of the system are as follows:-

- A fixed asset register card (see appendix xv) will be maintained for each asset after acquisition or completion of capital project.
- Each year the accountant will update the fixed asset card by preparing depreciation calculation and adjust accordingly
- The fixed assets register will be maintained on historical cost basis and the depreciation will be based on the straight line method.
- The accountant will prepare annually the fixed assets movement list by department indicating acquisition, transfers and disposals and the amount of depreciation.
- Any asset revaluation will be recorded on the fixed asset register card and the amount of depreciation charged and adjusted.

1.4 Fixed Asset Register

It is the responsibility of the accountant to ensure that a fixed asset register is opened for each individual asset. The following record will be shown in this card:-

- A. Name and description of the asset
- B. Asset number and classification
- C. Model type/number
- D. Serial/chassis number

- E. Date of purchase
- F. Location of the assets
- G. Name, address and telephone number of the supplier or his/her local agent
- H. Supplier's invoice number
- I. Cost of the asset
- J. Rate of depreciation

It should be noted that the asset number and classification will be stamped or printed on the asset for identification purposes. An example of this number can be; LSS/ADM/HS/F-OC01 – meaning this is office chair number one categorized as furniture, located in the Head of school office in the administration building in Laela Secondary School.

The fixed asset register cards will be maintained in a file by category of asset such as building, furniture etc.

Fixed assets will be summarized on fixed asset control sheet which will be maintained for each section of the file for the year. The reason of this sheet is to enable the accountant reconcile the general ledger control account with the fixed asset register cards. The detail in the control sheet will include;-

- Asset number
- Date of purchase
- Brief description of the asset
- Rate of depreciation
- Cost of asset
- Depreciation
- Net book value
- Disposal proceeds

1.5 Calculating depreciation

- At the end of each year the accountant will calculate the depreciation to be charged that year and entered in the fixed asset register card. A full year's depreciation shall be charged on each asset at the end of the year regardless of when it was acquired. The straight line method of depreciation will be used.
- At the end of the year a physical counts on assets the school will be carried out. The outcome of the count will be used to amend and update all assets records.
- The updated record will then be the basis upon which each new year's record will begin.

1.6 Fixed Asset disposal

- Fixed asset shall be disposed off only according to School's financial regulations. The disposal will only be effected after receiving written authorization from the Head of School following the decision by the School board.
- The cost of fixed asset which are written-off should be transferred to from fixed asset account to a general ledger account titled "disposal of fixed assets". The cumulative depreciation for those assets is also transferred to "disposal of fixed asset account".
- The receipt from sale of fixed assets are credited to the disposal of fixed assets account and the following details shall be recorded in the register card;-

- i. Date of disposal
- ii. Authority of disposal
- iii. Accumulated depreciation
- iv. Proceeds of sale
- v. Standard journal voucher and number

After the asset has been disposed off, the disposal of fixed asset account is closed off to the profit and loss account at the end of the financial year. Moreover when all the formalities have been settled down and the necessary records amended, the relevant fixed asset card will be filed along with the standard journal voucher used to record these transactions.

1.7 Revaluation of Fixed Asset

The need to value the School assets may arise because of different reasons. Such revaluation will be authorized by school board and carried out by a registered valuer. The accountant will record the new values of fixed assets and adjustments are made to the amount of depreciation to be charged to take account of the new asset valuation.

Appendix xiv

PETTY CASH VOUCHER

Name of the Organization and Address: _____

Petty Cash Voucher No. _____

Date: _____

Purpose of Expenditure	Amount

Signature: _____

Received by: _____

Passed by/Authorized by: _____

Date: _____

Appendix xv

FIXED ASSET REGISTER

REFERENCE NO.

IDENTIFICATION PARTICULARS

Identification code/Manufacturer's number:
 Category of Asset:
 Location of Asset:
 Manufacturer/Maker:
 Supplier:
 Supplier's invoice number: Date:
 New/Second hand:
 Guarantee:
 Depreciation period:
 Depreciation method:
 Purchase price:

Date	Original Cost	Additions during the year	Total cost	Depreciation during the year	Accumulated Depreciation	Net book value

Disposals

Disposal date:.....

Authority:.....

Amount realized:.....

Profit(Loss) on disposal:.....

Transfer

Transfer date:.....

Reasons:.....

Transfer to:.....

Compensation/Loss:.....

LAELA SECONDARY SCHOOL

UNIT OF ISSUE

Date	Reference	Receipts	Issues	Balance	Initials

Appendix xvii

GOOD RECEIVED NOTE

GOODS RECEIVED NOTE			NO.
DATE		FROM/SUPPLIER	DELIVERY NOTE/ADVICE NOTE
MODE OF TRANSPORT		TYPE AND NUMBER OF PACKAGES	ORDER NUMBER
CODE	DESCRIPTION	UNIT OF ACCOUNT	QUANTITY ORDERED/RECEIVED
The above stores have been received as summarized in damages Report No. attached. Signature Date		The above stores have been inspected for quality and have been found to be in accordance with the samples supplied Signature Date	
Posted to Signature Date			

APPENDIX XVIII

STOCK TAKING SHEET

LAELA SECONDARY SCHOOL

S/N

STOCK TAKING SHEET

DATE	CODE	DESCRIP	UNIT OF ACCOUNT	QTY COUNTED	QTY PER BIN CARD	UNIT PRICE	VALUE OF PHYSICAL STOCK	VALUE OF SHORTAGES	REMARKS

STOCK TAKER'S SIGNATURE	STOCK STOREKEEPER'S SIGNATURE.....	STORE OFFICER'S SIGNATURE
----------------------------------	---------------------------------------	------------------------------------

Appendix XIX

LSS Accounting codes

Assets	
Cash and petty cash	100
Petty cash	101
Cash in hand	102
Bank account	110
NBC Sumbawanga	111
Money in transit	112
Advances and loans	120
Staff loans	121
Various advances	122
Sundry debtors	123
Stocks	130
Buildings and maintenance materials	131
Stock of grains	132
Livestock	133
Stock of shop materials	134
Stock of stationery	135
Stock of oil and fuel	136
Equipment	140
Bicycles	141
Motor vehicle	142
Furniture and fittings	143
Fixed assets	150
Water well	151
Roads and play grounds	152
Buildings	153
Land	154
Liabilities	
Clearance account	200
Net salary payable	201
PAYE	202
NSSF	203
Salary advance	204
House rent recovered	205
Depreciation	210
Provision for depreciation	211
Accounts payable	220
Various deposits	221
Pocket money	222

Auditors accrued	223
Loans and advances received	224
Caution money	225
Capital grants	230
Cebemo	231
Tanzania government	232
Various gifts	233
Capital reserves	240
Accumulated fund	241
Expenses	
Salaries and labour costs	
Basic salary	301
Casual labour farm	302
Over time	303
Arrears	304
NSSF contribution	305
Teacher's allowance	307
Medical expenses	308
Staff welfare	309
Leave passages	311
Other personnel expenses	312
Other casual labour	313
Staff training	314
Staff insurance	315
Teaching, food and boarding expenses to students	320
Students food expenses	321
Charcoal and firewood	322
Utensils and tools	323
Other expenses of students	324
Expenses of external instructors	325
Pedagogical materials	326
Ordinary management of school	330
Various taxes	331
Postage, telephone, fax, e-mail	332
Traveling allowance	333
Staff meetings	334
Printing and stationery	334
Prizes and gifts	335
Auditing expenses	336
Public relations	337
Insurance	338
Financial charges	340
Bank charges	341
Interest paid on loans	342

Board expenses	346
Maintenance and operation of machinery and equipment	350
Motor vehicle	351
Bicycles	352
Repair of teaching equipment	353
Maintenance and repair of office equipment	354
Maintenance and repair of farm equipment	355
Maintenance and repair of buildings	356
Maintenance and repair of roads and playgrounds	357
Maintenance and repair of drainage and contours	358
Repair of furniture	359
Maintenance and repair other equipment	361
Expenses of Income generation projects	
Agriculture inputs	371
Livestock inputs	372
Operation costs milling machine	373
Operation costs oil extraction	374
General costs of school shop	375
General costs of grain store	376
Income	
Tuition fees	401
Accommodation charges	402
Food charges	403
Registration fee	404
Agriculture income	411
Livestock income	412
Sales grain store	413
Oil extraction	421
Sale of oil cake	422
Milling charges	423
Shop income	424
Grants	431
Donations	432
Interest received	441
Various services	442
Motor vehicle hire	443
Miscellaneous income	444
Disposal of assets	451

Appendix xx

RECEIPT

Serial NO. _____	
Name of Organization: _____	
Received from: _____	
The Sum of TZS: _____ (Amount in words)	
TZS: _____ (Amount in figures)	
Cash: <input type="text"/>	Cheque No. <input type="text"/>
Being payment of: _____ _____	
Received by: _____	
Signature: _____	
Date: _____	

Source: TFAS, 2003