



BRETHREN IN CHRIST CHURCH

HOPITALS AND CLINICS ACCOUNTING MANUAL
AND PROCEDURES

2/17/2012

BICC HOSPITALS AND CLINICS

ACCOUNTING MANUAL AND PROCEDURES

1.0 The responsibility of all financial and human resources management issues rests with the Administrator or Sister In Charge (in case of a clinic) who shall provide for the following;

- 1.1 Preparation of Financial Statements
- 1.2 Preparation of Budgets and Cash-flows
- 1.3 Control of finances and accountability
- 1.4 Implementation of human resources policies
- 1.5 Communication with banks, other investments centres, and other stakeholders

2.0 Preparation of Financial Statements Policy

2.1 Policy Objectives are to ensure that;

- 2.1.1 Financial Statements are free from material misrepresentation
- 2.1.2 Financial Statements are prepared in accordance with Generally Accepted Accounting Procedures (GAAP) and conform to International Financial Reporting Standards (IFRS)
- 2.1.3 Financial Statements are produced on time
- 2.1.4 All relevant financial statements are produced

2.2 Procedures on Preparation of Financial Statements

- 2.2.1 Financial Statements shall be produced on an accrual basis.
 - 2.2.1.1 The frequency of Financial Statements preparation shall be monthly, on or before the 15th of the following month.
 - 2.2.1.2 The Annual Financial Statements shall be produced on or before 45 days after the year end.
- 2.2.2 There shall be provision of depreciation (**straight line Method**) on assets. the following shall be the rates:
 - 2.2.2.1. Buildings (1.5%)
 - 2.2.2.2. Motor vehicles (20%)
 - 2.2.2.3. Furniture (10%)
 - 2.2.2.4. Office Equipment (computers, printers, etc) (25%)
- 2.2.3 The major financial statements to be produced are; **Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Income and Expenditure), Statement of Cash-flows (Receipts and Payments), and Notes to the Financial Statements.**

- 2.2.4 Financial statements shall be analyzed by the management team and copies sent to the Internal Auditor, the Treasurer, the Medical Administrative Committee and, subsequently, to BICC Finance Board.

3.0 Policy on Other Statements

3.1 Policy Objectives shall be to ensure that;

- 3.1.1 All other relevant financial information for decision-making is available.
- 3.1.2 Enhanced and comprehensive analyses are carried out before cash is spent.

3.2 Procedures on Other Statements

- 3.2.1 Other statements that need to be prepared are Budgets, Reconciliations and Cash-flow Statements.
 - 3.2.1.1 Budgets shall be prepared on monthly basis and annual basis.
 - 3.2.1.2 Variation on actual performance and budgets shall be analyzed and corrective measures, where possible be taken.
 - 3.2.1.3 Relevant reconciliations, i.e., Bank, Creditors, Debtors, etc. shall be carried out every month.
 - 3.2.1.4 Cash-flow budgets and actual Cash-flow shall be compared.
 - 3.2.1.5 Actual Cash-flows shall be on a daily basis while the Cash-flow budgets shall be on a weekly, monthly, quarterly, half-yearly and annual basis.
- 3.2.2 Preparation of other statements, beside those stated above shall be on an ad-hoc basis.

4.0 Control of Finances and Accountability

4.1 Policy Objectives shall be to ensure that;

- 4.1.1 All cash and financial assets are accounted for.
- 4.1.2 Only proper and authentic documentation shall be used.
- 4.1.3 Usage of money is properly and adequately authorized.
- 4.1.4 Financial Security features are restricted to authorized personnel.

4.2 Procedures on Control of Financial and Accountability

- 4.2.1 Cash shall be banked on regular intervals and records kept. Cash should not accumulate for more than a week without banking.
- 4.2.2 All payments shall be for proven expenses as supported by documents. (If prepayments are to be made, they should be for reputable suppliers).
- 4.2.3 The signing order of documents shall be; The Accounts Clerk (Requisition & Order, Expenses Voucher and Order), Administrator or Sister In Charge (in case of a clinic), Doctor (Expenses Voucher, Order, Bank Letter & Cash Requisition/Cheque), and any Bank authorized Signatory (Bank Letter and Cash Requisition/Cheque).

- 4.2.4 Payees (or their representatives) shall produce national identification particulars and sign for cash or cheque received, stating their names in full and organizations they represent.
- 4.2.5 All Financial vouchers shall be serialized and their records be kept by the Finance Department.
- 4.2.6 All security documentation and items the include cash, receipt books; etc should be kept under lock and key when not in use.

5.0 Financial Communications Policy

5.1 Policy Objectives are to ensure that;

- 5.1.1 The institution is aware of financial development relevant to it.
- 5.1.2 Outside stakeholders, like Bankers, External Auditors, etc., receive correct and relevant information.

5.2 Procedures on Financial Communications

- 5.2.1 The responsibility of Financial Statements preparations lies with the Administrator or Sister In Charge (in case of a clinic).
- 5.2.2 The Administrator or Sister In Charge (in case of a clinic) provides for communication lines with Bankers, Creditors, and Auditors. (No unauthorized person is allowed to issue out financial information to outsiders).

6.0 Human Resources Management Policy

6.1 The Policy Objectives are to ensure that;

- 6.1.1 Recruitment Procedures are followed.
- 6.1.2 Workers are trained and developed to the demands of their work.
- 6.1.3 Disciplinary actions are taken where necessary.
- 6.1.4 Performing workers are rewarded, where possible.
- 6.1.5 Health & Safety requirements are adhered to.
- 6.1.6 Good public relations are pursued.

6.2 HRM Procedures

- 6.2.1 Vacant posts shall be advertised in all BICC institutions.
- 6.2.2 Interviews shall be conducted and best interviewees who meet minimum requirements shall be employed.
- 6.2.3 Performance appraisals shall be conducted; employees falling below standards shall be counseled, and be expected to perform to expectations. Perpetual underperformers shall be disciplined accordingly.
- 6.2.4 Workers shall be properly inducted to the organization's systems, proper training shall be conducted where necessary.

- 6.2.5 All workers shall be trained in health and social obligations such as First Aid, HIV/AIDS. (Adherence to HIV/AIDS policy is a must)
- 6.2.6 Workers shall be apprised of the Code of Conduct.
- 6.2.7 The Administrator or Sister In Charge (in case of a clinic) shall provide for good public relations.

7.0 Other Provisions

7.1 The Objectives of Other Provisions are to ensure that;

- 7.1.1 Hospitals or a clinic runs efficiently.
- 7.1.2 All personnel are utilized.

7.2 Letter Box and Mail Management

- 7.2.1 The Administrator or Sister In Charge (in case of a clinic) shall ensure the Post Office Mail Box is frequently checked.
- 7.2.2 Mail received is booked and issued to relevant recipients on time.
- 7.2.3 Mail to be delivered to outsiders shall be booked and signed for by recipients.

Matrix of Signature

Requisition Form	Order Form	Payment Voucher	Bank Cash Requisition
<ul style="list-style-type: none"> • Accounts clerk • Buyer • Head of Department 	<ul style="list-style-type: none"> • Accounts clerk • Buyer • Head of Department 	<ul style="list-style-type: none"> • Accounts Clerk • Sister In Charge • Administrator • Doctor 	<ul style="list-style-type: none"> • Administrator • Doctor • Treasurer • Bishop • Any Bank Authorized Signatory

OPERATIONAL POLICIES

8.0 The responsibility of all operations rests with the Administrator or Sister In Charge (in case of a clinic) who shall provide for the following;

- 8.1 Procurement procedures
- 8.2 Management of stocks
- 8.3 Security measures
- 8.4 Assets management
- 8.5 Realization of all revenue due to the Hospital or Clinic

9.0 Stocks Procurement Policy

9.1 Policy Objectives are to ensure that;

- 9.1.1 correct stocks are sourced from bona fide suppliers at competitive prices,
- 9.1.2 proper documents are received for correct stocks received,
- 9.1.3 Correct receiving documents are raised and are properly filed,
- 9.1.4 Finance department pays for goods and/or services received

9.2 Stock Procurement Procedures

- 9.2.1 All things equally, three quotations are obtained, and the decision to select a supplier shall not solely depend on cost prices; a combination of factors shall be considered.

- 9.2.2 The buyer shall raise an order document and place the order with the selected supplier.
- 9.2.3 Security personnel shall receive and verify goods to satisfy themselves that the delivery is as per delivery note or invoice. (Security personnel must ensure that goods received are free from defects; they are not damaged, there are no leakages, etc).
- 9.2.4 If goods are received, the security personnel shall sign delivery documents and forward such documents to the Head Of Department.
- 9.2.5 The buyer shall raise Goods Received Note/s (GRV).
- 9.2.6 Items for office use shall be procured in the same manner as stocks.
- 9.2.7 The Administrator or Sister In Charge (in case of a clinic) shall approve purchases and payments for stocks.
- 9.2.8 Although exceptions might occur operations shall not be based on them.

10.0 Stocks Management Policy

10.1 Policy Objectives shall be to ensure that;

- 10.1.1 All stocks acquired are accounted for.
- 10.1.2 Stock losses through shop-lifting, damages etc., are minimized.
- 10.1.3 Other losses through obsolete stock, expiry dates etc., are minimized.

10.2 Stocks Management Procedures

- 10.2.1 All stocks received shall be entered into Inventories (Stocks Received).
- 10.2.2 Warehouses are always secured; only authorized personnel have the access to be in such premises.

11.0 Assets Management Policy

11.1 Assets Management Objectives

- 11.1.1 Assets are properly used/utilized.
- 11.1.2 Abuse/misuse of assets is curbed.
- 11.1.3 Lifespan of assets is checked.
- 11.1.4 Proper maintenance on all assets is ensured.

11.2 Assets Management Procedures

- 11.2.1 All assets are recorded in the Assets Register with identification features and serial numbers.
- 11.2.2 Assets are used by authorized personnel at all times.
- 11.2.3 The top management is aware of the state of all assets; the advice about assets that needs attention of the Administrator or Sister In Charge (in case of a clinic) is communicated on time.
- 11.2.4 Buildings, motor vehicles and furniture must be maintained or repaired on time to avoid unnecessary loss of value due to dilapidation.
- 11.2.5 Log books for all motor vehicles shall be kept.

12.0 Capital Goods Acquisition and Disposal Policy

12.1 Policy Objectives shall be to ensure that;

- 12.1.1 Capital goods are properly acquired and /or disposed in accordance with BICC Acquisition & Disposal Policy.

13.0 Security Measures Policy

13.1 Policy Objectives are to ensure that;

- 13.1.1 All assets of the organization are secured.
- 13.1.2 Stocks pilferage is minimized.
- 13.1.3 Safety & Security of workers and customers is maximized.
- 13.1.4 Health of workers and customers is not compromised.

13.2 Security Measures Procedures

Assets Security

- 13.2.1 All office inventory/equipment is kept at correct offices (where they belong).
- 13.2.2 Inventory list is kept at every office/work-place and is updated every-time proper changes have occurred.
- 13.2.3 A copy of proper Asset register with serial numbers of equipments is kept. (The original copy is kept in the Finance office).
- 13.2.4 All workers must be trained to be alert for disasters like fire, floods, riots etc to ensure assets are not damaged.
- 13.2.5 Damage minimization (Loss Control) equipment, e.g., fire extinguishers, must be functional and in correct places all the times. (Fire-escape points, where necessary, should be accessible.)

- 13.2.6 All entrances (e.g. doors) and openings (e.g. windows) shall be closed after working hours.
- 13.2.7 No asset of the organization shall leave premises without explicit authorization.
- 13.2.8 Physical security measures (e.g. provision of locks , hand-cuffs, covering of electrical cables, etc.) on premises and work places must be provided for.
- 13.2.9 Adequate security personnel shall be provided to secure properties and assets.

People Security

- 13.2.10 Clean work places are a must. This is meant to minimize chances of people contacting communicable diseases.
- 13.2.11 All workers must be trained to be alert for disasters like fire, floods, riots etc to avoid dangers to people and loss of life due to ignorance and negligence.

Appendix: Formats

Statement Of Receipt & Payment Account

Balance brought forward 5,000.00

Receipts		Notes	
	Consultation fees		35,000.00
	Donations		5,000.00
	Dispensary sales		2,000.00
	Medical health grant		3,000.00
	Fundraising		3,500.00
	Other specify		4,500.00
Total Receipts			58,000.00
Payments			
	Supplies		5,000.00
	Salaries & Benefits		12,000.00
	Administration Expenses		6,500.00
	Power & Energy		3,500.00
	Water & Sanitation		1,200.00
	Medical Equipment		2,100.00
	Vehicle Expenses		2,200.00
	Repairs & Maintenance		4,500.00
	Property Insurance & Protection		2,500.00
	Travel		2,200.00
	Capital Expenditure		200.00
Total Payments			41,900.00
Closing Balance			16,100.00

Represented by:

Cash on Hand	4,000.00
Cash at Bank	12,100.00
	16,100.00

Statement Of Income & Expenditure Account

Income		Notes	
	Consultation fees		45,850.00
	Donations		5,000.00
	Dispensary sales		2,000.00
	Medical health grant		3,000.00
	Fundraising		3,500.00
	Other specify		4,500.00
Total Income			63,850.00
Expenditure			
	Supplies		5,000.00
	Salaries & Benefits		12,000.00
	Administration Expenses		6,500.00
	Power & Energy		3,500.00
	Water & Sanitation		1,200.00
	Medical Equipment		2,100.00
	Vehicle Expenses		2,200.00
	Repairs & Maintenance		3,000.00
	Depreciation		1,500.00
	Property Insurance & Protection		3,100.00
Total Expenditure			40,100.00
Surplus/(Deficit)			23,750.00

Statement Of Financial Position

			Notes
Tangible Assets			
	Buildings	1	50,000.00
	Furniture & Equipment	2	25,000.00
	Vehicles	3	<u>35,000.00</u>
			110,000.00
Current Assets			
	Debtors	4	60,000.00
	Prepayments		2,500.00
	Stock		6,000.00
	Cash in Hand & Bank		<u>13,000.00</u>
			81,500.00
Total Assets			191,500.00
Financed by			
Current liabilities			
	Creditors	5	12,000.00
	Grants		2,500.00
	Accruals		<u>11,000.00</u>
			25,500.00
Accumulated Fund			
	Brought forward		165,450.00
	Surplus/(Deficit)		<u>550.00</u>
			166,000.00
Total liabilities & Accumulated fund			191,500.00