



CFP 2024 ONBOARDING PROGRAM

Webinar 2 – Financial Management

Monday, 19th of May

Agenda

- Why is reliable financial management important?
- Basic requirements of reliable accounting and financial management
 - Accounting system
 - Requirements for supporting documents
 - Requirements for reporting
 - Reporting process + template

Why is Reliable Financial Management Important?

Why is Reliable Financial Management Important?



INFORMATION

- How your business is doing financially and why
- Managing the operations proactively rather than reactively
- Tools for financial planning and decision making



ACCESS TO FINANCING

- Provide reliable financial information to investors
- Enable justifications for budget and financial projections



PROFITABLE AND EFFICIENT OPERATIONS

- Understanding the cost structure
- Measuring the business profitability
 - KPIs

Expectations on Financial Management

Financial Management Models:

- **In-house:**
 - Hiring a financial manager / accountant
 - Setting up an accounting system e.g. Xero, QuickBooks
 - Excel not recommended
- **Outsourced:**
 - Hiring an accounting firm to do your bookkeeping

Common Challenges:

- Lack of financial management capacity
- Lack of an adequate and reliable accounting system
- Lack of proper audit trail between accounting and financial reporting

Expectations on Financial Management

Good Governance best practice

- Management structure with clearly defined **roles**, **responsibilities** and **authorities**.
- Decision order that adequately ensures segregation of duties
- Documented guidelines stipulating the key internal controls and appropriate distribution of work
 - Rules and guidelines regarding procurements, travelling and per diems, advances, petty cash, inventories, credit cards etc.
 - Approval of expenses
 - Authorization of payments

Accounting Systems and Audit Trails

Reliable Accounting System

- Double-entry bookkeeping
- **Audit trail** = a set of documents that validate the transaction in the accounting books
 - Transaction -> Invoice/receipt/proof of transaction from a third party -> Proof of payment -> Recording in the accounting system -> Financial report
 - Information about the event, who created the event, the day/time of the event.
 - In case of multiple projects under implementation, unique codes for each projects to be used for accounting to differentiate costs
- Only expenses that belong to the organization/project are recorded
 - Donor funded projects: highly important to ensure the eligibility rules
 - Timing of accounting : accrual vs cash
- Documented reconciliation between accounting records and financial report

Supporting Documentation

Type of Document	Purpose	Examples
Invoice	Confirms goods/services were provided and payment is due.	Supplier invoice for office supplies, consultant invoice.
Receipt	Proof of payment made for a good/service.	Cash register receipt, fuel receipt, hotel bill.
Purchase Order (PO)	Shows intent to buy and authorization before the transaction.	Internal PO for IT equipment.
Delivery Note / Goods Received Note	Confirms delivery of goods or services.	Signed delivery note for equipment or materials.
Contract or Agreement	Provides legal basis for ongoing or large transactions.	Service contract, lease agreement, consulting agreement.
Payment Voucher	Internal record of payment made.	Cash voucher, cheque payment voucher.
Bank Statement or Payment Confirmation	Confirms the payment was actually made.	EFT confirmation, bank transfer proof, mobile money receipt voucher / statement.
Expense Claim Form	Used for staff reimbursements and includes receipts.	Travel expense form with supporting taxi and meal receipts.

Supporting Document Examples: Purchases

PURCHASE ORDER

Sofarian
 1670
 Mahwah, Kansas

DATE 15/05/2020
 CREDIT NO. 976

VENDOR: _____ **SHIP TO:** _____

CONTACT NAME _____ **NAME/DEPT** _____
CLIENT COMPANY NAME _____ **CLIENT COMPANY NAME** _____
ADDRESS _____ **ADDRESS** _____

PHONE _____ **PHONE** _____

SHIP VIA	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE

CODE	PRODUCT NAME / DESCRIPTION	QTY	UNIT PRICE	DELIVERY DATE

REMARKS/NOTES

SUBTOTAL \$600.00

DISCOUNT (%) _____ %

SUBTOTAL LESS DISCOUNT \$600.00

TAX RATE 14.00 %

TOTAL TAX \$112.00

SHIPPING/HANDLING _____

TOTAL \$712.00

INVOICE

Telephone _____

Tel# _____

Address _____

Date 10/04/2020

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VENUE _____

SHIP TO _____

CONTACT NAME _____

NAME/DEPT _____

CLIENT COMPANY NAME _____

CLIENT COMPANY NAME _____

ADDRESS _____

ADDRESS _____

PHONE _____

PHONE _____

SHIP VIA	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE

CODE	PRODUCT NAME / DESCRIPTION	QTY	UNIT PRICE	DELIVERY DATE
abw	Somung	1	\$800.00	

REMARKS/NOTES

SUBTOTAL	\$800.00
DISCOUNT (%)	
SUBTOTAL LESS DISCOUNT	\$800.00
TAX RATE	14.00
TOTAL TAX	\$112.00
SHIPPING/HANDLING	
TOTAL	\$912.00

RECEIPT

Business _____

1. # _____

2. Name _____

DATE _____

20/05/2020

7055

VENDOR _____

CONTACT NAME _____

CLIENT COMPANY NAME _____

ADDRESS _____

PHONE _____

SHIP TO _____

NAME/DEPT _____

CLIENT COMPANY NAME _____

ADDRESS _____

PHONE _____

UNIT	QTY	PRICE	TAX	DISCOUNT	DATE

CODE	PRODUCT NAME / DESCRIPTION	QTY	UNIT PRICE	DELIVERY DATE
dash	Samung	1	\$800.00	

REMARKS/NOTES

SUBTOTAL \$800.00

DISCOUNT (%) _____

SUBTOTAL LESS DISCOUNT \$800.00

TAX RATE 14.00

TOTAL TAX \$112.00

SHIPPING/HANDLING _____

TOTAL \$912.00

- + Bid analysis where multiple quotes were received
- + Goods received note

Supporting Document Examples: Salaries

Company Name

[Address]

Salary Slip

Employee Name: _____

Designation: _____

Month & Year: _____

Earnings		Deductions	
Basic & DA	5,200.00	Provident Fund	358.00
HRA	3,000.00	E.S.I.	120.00
Conveyance	500.00	Loan	-
		Profession Tax	-
		TSD/IT	-
Total Addition	8,700.00	Total Deduction	478.00
		NET Salary	8,222.00

Dollars Eight Thousand Two Hundred Twenty Two Only

Cheque No. _____ Name of Bank: _____

Date: _____

Signature of the Employee: _____ Director: _____

Salary Slip Template

Signed salary pay slip

SALARY
ACKNOWLEDGEMENT
RECEIPT

Date: Enter date
Number: Enter number
Amount: \$Enter amount

I [Name Here] ID/Passport No. [X] acknowledge receipt of payment of the following items from my employer [Name] on date [Date] by cash/cheque No. [X].

Wages From: Enter description

Deduction of Enter information
Salary/Other

Total: Enter name

Received By: Enter name

Signature:

SALARY
ACKNOWLEDGEMENT
RECEIPT

Date: Enter date
Number: Enter number
Amount: \$Enter amount

I [Name Here] ID/Passport No. [X] acknowledge receipt of payment of the following items from my employer [Name] on date [Date] by cash/cheque No. [X].

Wages From: Enter description

Deduction of Enter information
Salary/Other


Total: Enter name


Received By: Enter name

Signature:

wordexceltemplates.com

Proof of salary payment

 **EEP**
Africa

 **NDF**
NORDIC
DEVELOPMENT
FUND

Supporting Document Examples: Other

Commercial Invoice

June 19, 2018
NO 869075
Terms Of Sale: Net 30

Company
Boxley Unlimited
330 W North Temple
Salt Lake City, UT 84103

Bill To:
Ashley Myers
1117 Intelligent Lane
Portland, Oregon 97217
Phone: 503-555-1777
Email: ashley@myers.org

Ship To:
Ashley Myers
1117 Intelligent Lane
Portland, Oregon 97217
Contact: Ashley Myers

Sales Person	Order Currency	Payment Terms	Ship Via	Req. Ship Date	Total Packages
ashley	USD	ODD	UPS	06/06/2018	1

Carton Information
Carton 1 (9123456789000000) 2.41 lbs **UPS Tracking**

Item / Description	Qty Shipped	Net Weight	Schedule B	CAO	Unit Price	Extended Price
B209 - Discount Brake Calipers	1 ea	0.01	000121 001	USA	\$ 10.00	\$ 10.00
B201 - Heavy Duty Brake Calipers	1 ea	1.2	000121 002	USA	\$ 25.00	\$ 25.00
B202 - Everyday Brake Calipers	1 ea	1.2	000121 003	USA	\$ 15.00	\$ 15.00
B203 - Adamantium Brake Calipers	1 ea	0	000121 004	USA	\$ 100.00	\$ 100.00
Totals:	4	2.41				

Reasons For Export:

Notes:

The exporter of the products covered by this document declares that, except where otherwise clearly indicated, these products are of United States Of America professional origin.

The freely certifies that the information on this invoice is true and correct and that the contents of it is shipment are as stated above.

Approved: _____ Date: _____
June 26, 2018 12:10 PM MDT

Page 1 of 1

Commercial invoice

Delivery Note

Doc Identifier: DwtGrid-12-DEN-mnn
Date: 22/02/2010

Recipient: [Recipient Name Here]
Project Officer: [Name Here]
Delivery address: Name
Street Address:
City, ST ZIP:
Code:
Phone (509) 555-0190 Fax (509) 555-0191

Title	Deliverable identifier
Quality Plan	D12.1

Title	Document Identifier		Supporting materials	
	Document Identifier	Page	Other(*)	
Quality Plan	DwtGrid-12-D12.1-0105-1-3	X	M and D	
Risk Management	DwtGrid-12-D12.1-0103-1-3	X	M and D	
Templates	DwtGrid-12-TEM-all-1-3.sig	X	M and D	

Comments: The annex of the Quality Plan contains the document templates.
(*): Cartridge: D: Diskette, CD: Compact Disk, M: electronic mail

Sender: CERON

Sender (CERON)		Recipient (Recipient)	
From:	Approved by:	Received by:	
Name: Mr. G. ZAQUINE	Name: Dr. F. GAGLIARDI	Name: Dr. K. BAKYANIDIS	
Date:	Date:	Date:	
Signature:	Signature:	Signature:	

Delivery note


SHOP NAME
Address: Lorem Ipsum, 23-10
Telp. 11223344


CASH RECEIPT

Description	Price
Lorem	1.1
Ipsum	2.2
Dolor sit amet	3.3
Consectetur	4.4
Adipiscing elit	5.5
Total	16.5
Cash	20.0
Change	3.5

Bank card: 234
Approval Code: #123456

THANK YOU!



designed by 

Receipt

Financial Reporting and EEP Africa Requirements



EEP Africa Requirements

- Inclusion of **sufficient information** on project **expenditures** in the reports to ensure a transparent and clear view.
- The Financial Report must be based on actual expenditure “**incurred and paid for**” and must cover the expenditure for the reporting period.
- The grantee is responsible for ensuring that the report and supporting documents are in a clear form and appropriately labelled allowing verification by EEP Africa without difficulties.
- **Timely reporting** as per Annex 1 or as pre-approved by EEP Africa.
- Online reporting through **SmartME platform** and use of correct template.
- All projects funded by EEP Africa must undergo a **financial audit** at the end of the project.

EEP Africa Requirements

- **Personnel cost category:**
 - Staff contracts are required, even for founders receiving salary from the company.
 - The payment of salaries must be additionally supported by an employee advice of receipt or an extract from the grantee bank account.
 - All employees (full time + part time) must record time sheets. A time sheet template is provided to all EEP Africa projects as part of the Financial Report template.
 - Proof of remittances of statutory deductions will be required e.g. PAYE taxes etc.
 - In-kind contribution is only applicable if pre-approved in the budget (limited to shareholders)

EEP Africa Requirements

- **Fixed Assets and Goods cost categories:**
 - Minimum of 3 quotes if cost is above Euro 3000. *(Not required if Direct procurement is pre-approved in Annex V)*
 - A bid analysis of quotes, signed by at least multiple assessors / reviewers (at least 3) is required. The document must include a justification for decision taken.
 - Invoice from preferred supplier.
 - *Contract may be required for larger items.*
 - International procurement to contain : Packing lists, Bill of Lading (B/L) / Air Waybill (AWB), Customs Declaration Forms etc.
 - Delivery Note / Goods Received Note.
 - Proof of payment.

EEP Africa Requirements

- **External Services:**
 - Minimum of 3 quotes if cost is above Euro 3000. *(Not required if Direct procurement is pre-approved in Annex V)*
 - A bid analysis based on TOR's provided to consultants. Must be signed.
 - Contract with consultant / supplier.
 - Invoice clearly billing for services rendered.
 - If final payment, certificate of completion or final deliverable is required for verification.
 - Proof of remittances of statutory deductions will be required e.g. withholding taxes etc.
 - Proof of payment.

EEP Africa Requirements

- **Transportation and Logistics costs category:**
 - Quotes / Invoices for expenses (Multiple quotes if > Euro 3000)
 - Customs Declaration Forms for international procurements
 - Vehicle log sheets if using company vehicles
 - Proof of payment
- **Travel cost category:**
 - Travel authorization
 - Accommodation and Meal costs where applicable.
 - Travel allowance claim forms where applicable.
 - Boarding passes for flights.
 - Proof of payment

EEP Africa Requirements

Official supporting documents:

- All costs must be supported by official supporting documents. (Including Co-financing costs)
- In case a service has been provided by a third party that is not able to provide an official receipt, the provider must sign a grantee generated receipt / form / acknowledgement indicating the amount of the service and enclose a copy of her/his identity documentation/card.
- Original documents are expected to be available, with a retention of up to 5 years.
- Paid documents should be stamped “PAID” to avoid duplication.
- Quotes or estimates are not official receipts.

EEP Africa Requirements

Procurements thresholds:

- **Costs below € 3,000:** Procedures to be decided by the grantee. The price must be reasonable.
- **Costs between € 3,000-60,000:** Comparison of at least three quotes/offers to be obtained from suppliers. The request for bids, specifications, offers, justifications, bid evaluation report and other procurement-related documentation must be annexed to the Financial Report as supporting documents.*
- **Costs above € 60,000:** Competitive open tendering with invitations to tender announced publicly. The procurement procedure must be separately agreed upon with EEP Africa beforehand. The full tender dossier, invitations and adverts, offers, justifications, bid evaluation report and other procurement-related documentation must be annexed to the Financial Report as supporting documents.*

**Any evaluation of bids or proposals shall be performed and signed by an evaluation committee of at least three qualified people. The evaluation committee shall ensure that there is no conflict of interest resulting from their participation in the evaluation committee.*

EEP Africa Requirements

Common Weaknesses:

- Delays in reporting without notifying EEP Africa.
- Wrong template adopted for reporting.
- Errors and/or inconsistencies in reporting e.g. Duplication of expenses across milestones, or expenses not matching what has previously been reviewed by EEP Africa or matching transactions in the financial system.
- Reporting not aligned with the budget activities approved by EEP Africa
- Accrual reporting of expenses that have not yet been paid
- Budget deviations of more than 10% which is not pre-approved by EEP Africa.
- Wrong exchange rates used for reporting
- Missing support documentation for both EEP Africa and Co-financing.
- Inconsistent bank transactions that cannot be reconciled to the project

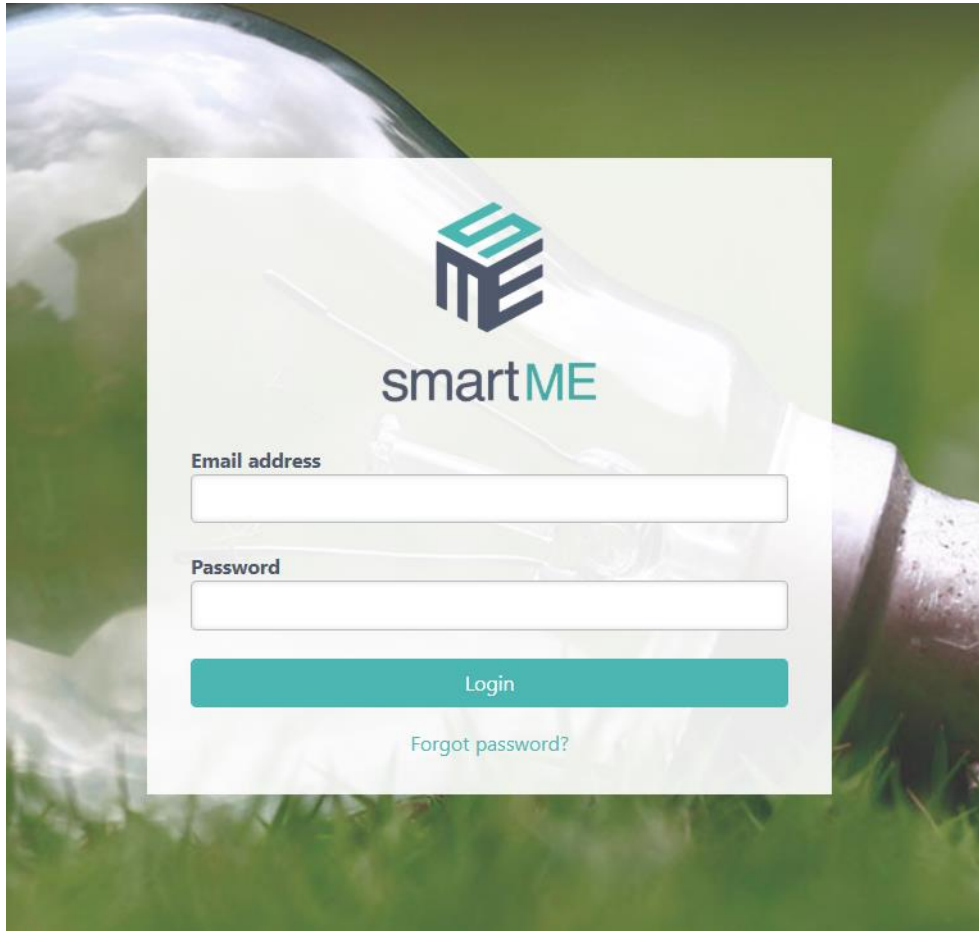
EEP Africa Requirements

Ineligible Expenses:

- Expenses that are not based on the approved project budget and plan;
- Merit pay, bonuses, fringe benefits and similar supplements to wages that are paid in addition to regular wage;
- General staff training
- Project preparation or other expenses incurred before the Contract
- Project or other expenses, which are paid after the completion date of the Contract except those for the project audit;
- Depreciation of equipment, machinery and vehicles;
- Overhead as a share of total costs;
- Fines, penalty fees and legal expenses, except legal expenses that are related to the project and that have been approved in the budget;
- Value-added tax (VAT) that may be deducted or refunded, or compensated for in another way;*
- Financing expenses: interest on loans, fees related to financing transactions, currency exchange fees and exchange rate losses

Walkthrough of the SmartME system + Financial reporting template

Financial Reporting process

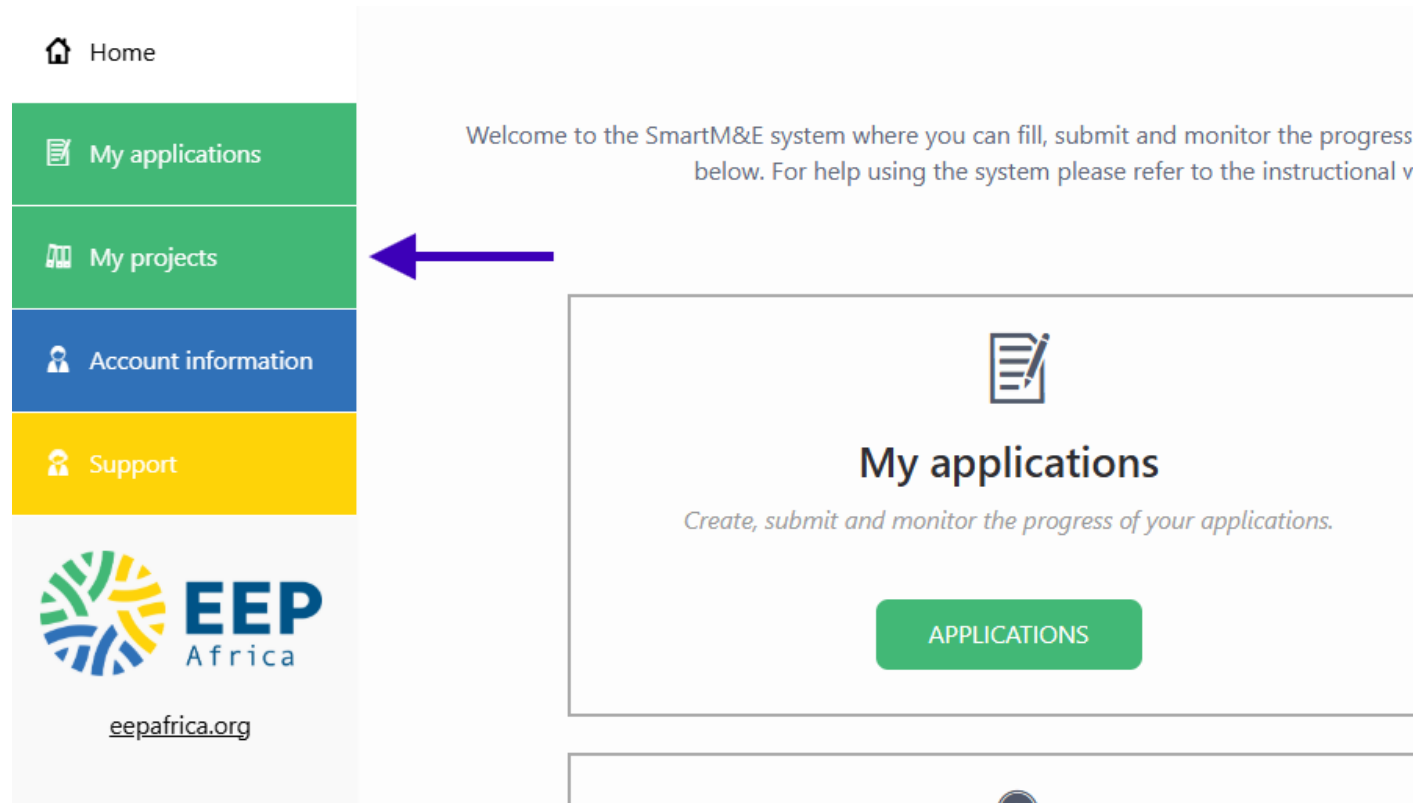


<https://smartme.adalia.fi/login>

Use your credentials to Log in to the system.

- Only staff that were set up at EOI stage have access to the project. *These staff can also create additional users.*

Financial Reporting process



Click on “**My Projects**” to open your contracted projects.

Financial Reporting process


Home

My applications

My projects

Account information

Support


eepafrica.org

1111 TEST Project

PROJECT INFO

RESULTS FRAMEWORK

MONITORING

PROJECT MONITORING

SUBMISSIONS

USER

TEST Project (1111) IN FORCE

0
Approved funding

0
Own contribution

Implementation start date
-

Implementation end date
-

Lead organization
-

Project lead
-

Milestones SHOW DELIVERABLES

Title	Due date
Milestone 1 Milestone 1	2025-02-26
Milestone 2 Milestone 2	2025-05-21
Milestone 3 Milestone 3	2026-01-01

Click on “**SUBMISSIONS**” to access the Reporting module.

Financial Reporting process

Click on “**New Report**” and select “**Financial Report**”

Once clicked a Draft report form will be created. *Please do not create multiple drafts for the same report to avoid confusion. EEP Africa can support to delete any drafts created in Error upon your request.*


Home

My applications

My projects

Account information

Support



1111 TEST Project

PROJECT INFORESULTS FRAMEWORKMONITORING

New report ▾Columns ▾

Financial Report

Progress Report

EEP Africa Modifications

	Status	Initial submission
Progress Report	Draft	
Progress Report	Draft	
Progress Report	In review	2024-09-24 13:38 +03:00
Financial Report	Draft	
Financial Report	In review	2024-10-25 10:05 +03:00

Financial Reporting process

The screenshot shows the EEP Africa web application interface. On the left is a sidebar with navigation links: Home, My applications, My projects, Account information, and Support. The main content area is titled '1111 TEST Project' and includes tabs for PROJECT INFO, RESULTS FRAMEWORK, MONITORING, and PROJECT MONITOR. The 'Financial Report' section is active, showing an 'Edit' button (highlighted with a purple arrow), a 'PDF' button, and a 'Comments' button. Below these is a 'Current status' section with a 'Pending fill' button. A 'Performance Table' and 'Workflow' are also visible, with 'Show' and 'Hide' links respectively. A progress bar at the bottom indicates the 'Financial report' milestone.

Home

My applications

My projects

Account information

Support

EEP Africa
eepafrica.org

1111 TEST Project

PROJECT INFO RESULTS FRAMEWORK MONITORING PROJECT MONITOR

Financial Report

Edit PDF Comments

Current status

Pending fill

Performance Table Show
Workflow Hide

Review

Financial report

Milestone progress report - Financial

Click on the “**Edit**” button to activate the form for editing purposes.

Financial Reporting process


Home

My applications

My projects

Account information

Support



eepafrica.org

Milestone

This should be the milestone for which you are reporting activities.

Milestone 1

EEP Africa financial reporting template (for download)

[Financial report template](#)

Please download the detailed financial report template provided above, fill it out and upload it here.

Drag & drop a file here or click to browse

Please use the uploaded financial report numbers to populate the summary in the section below.

Financial report summary

Budget category	EEP Africa funding (expenses)	Co-financing (expenses)	Total expenditure
A: Personnel costs	*	*	0
B: Acquisition of Fixed Assets	*	*	0
C: Acquisition of Goods	*	*	0

1. Select the Milestone you are planning to Report

2. Download the Financial Reporting template to complete

3. Upload / Attach the completed template

4. Update budget category amounts as per completed template

Financial Reporting process

Support documentation

Personnel costs documents

Drag & drop a file here or click to browse

For personnel costs, these may include: pay slips, payroll listings, timesheets, employee advice of receipt or an extract from the bank account clearly showing the amount and recipient, etc.

Acquisition of fixed assets documents

Drag & drop a file here or click to browse

For fixed assets, these may include: quotes as per EEP Africa procurement guidelines (at least 3 quotes for costs \geq Euro 3000), invoices, contracts, delivery notes, waybills (in case of imports), etc.

Acquisition of goods documents

Drag & drop a file here or click to browse

For acquisition of goods, these may include: quotes as per EEP Africa procurement guidelines (at least 3 quotes for costs \geq Euro 3000), invoices, contracts, delivery notes, waybills (in case of imports), etc.

External services documents

Attach Relevant support documents for each budget category.

Ensure the uploaded documents are named as labelled on the uploaded reporting template for ease of reference.

Financial Reporting process

Other updates

Has your financial report been produced using a financial system? *

- ☐ Yes
☐ No

[CLEAR SELECTION](#)

Did an individual with a finance or accounting background prepare the report? *

- ☐ Yes
☐ No

[CLEAR SELECTION](#)

Provide more details about the individual who prepared the report i.e. name and title, and whether the report has been internally reviewed and approved

Click “**Save**” to save your progress and complete later.

Click “**Submit**” to finalize the report and avail it for review.

** Once you click “Submit” the form will NOT be editable until the report has been reviewed by the EEP Africa team.*

Q&A Regarding EEP Requirements

Misuse of Funds

Misuse of Funds

- EEP Africa has a **zero-tolerance** approach to the misuse of funds and so should your company.
- Includes corruption and funds that intentionally and/or unintentionally misspent, fraudulently misappropriated or inadequately accounted for. It also includes corrupt, fraudulent, coercive, collusive and obstructive conduct. The most common fraud issue is theft.
- Fraud can and does happen. The best **strategy to mitigate** fraud risks is proper governance structures and financial management procedures.
- **Internal controls** is the key. Poor or no internal controls equal virtually inevitable fraud.
- A lack of appropriate separation of duties is one of the most common weaknesses.

Reporting Misuse of Funds

- All projects and contracted parties must adhere to the Nordic Development Fund's [Policy on Anticorruption and Integrity](#)
- **Reporting** of concerns or evidence of corruption, fraud, coercion, collusion or obstructive practice can be done through any of the following channels:
 - EEP Africa Portfolio Manager (multiple contacts)
 - EEP Africa [Head of Portfolio](#)
 - NDF [Anticorruption Committee](#)
- Any information provided will be treated as **confidential**.
- Reports may be made anonymously. However, as anonymous reports are difficult to investigate, anyone making an allegation is encouraged to provide some means that will allow further communication.

Thank you!

www.eepafrica.org

Contact us:

info@eepafrica.org

Follow us:

