



"TOGETHER WE ACHIEVE"

# MUKONO HAND IN HAND UGANDA

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P.O.Box 151852, Mukono-Uganda

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## FINANCIAL MANAGEMENT POLICY

**Document Version:** 1.0

**Effective Date:** 22<sup>nd</sup> December 2025

**Prepared by:** Finance Department

### 1. Purpose

The purpose of this Financial Management Policy is to ensure **proper management, accountability, transparency, and compliance** in all financial activities of Mukono Hand In Hand Uganda. The policy provides clear guidelines for budgeting, expenditure control, income management, reporting, and audit to safeguard organizational resources.

### 2. Scope

This policy applies to **all staff, volunteers, and management** involved in handling organizational funds, assets, and financial operations, including school operations, projects, guesthouse, and donor-funded activities.

### 3. Financial Principles

1. **Transparency:** All financial transactions must be properly recorded, documented, and reported.
2. **Accountability:** Staff responsible for funds must be accountable for proper usage according to approved budgets.
3. **Efficiency:** Resources must be used efficiently to maximize impact and sustainability.
4. **Compliance:** All transactions must comply with **Ugandan laws**, donor requirements, and organizational regulations.
5. **Segregation of Duties:** Responsibilities for approval, payment, and reconciliation must be separated to prevent misuse of funds.

### 4. Budgeting

- An **annual budget** is prepared covering all operational, project, and capital expenditure.
- Each expenditure code (see Appendix A: **Expense Codes**) is used consistently to classify expenses.
- **Quarterly reviews** are conducted to compare budgeted versus actual expenditure.
- Adjustments require approval from the **Finance Manager and Executive Director**.



**5. Income Management**  
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- All expected income sources must be tracked, including:

Code	Source	Description
3809	Other Income Admin	UPE Government Captation grant expected
3860	Pay Back Loan	Loan repayments
3819	Other Income Educ	Unpaid fees carried forward
3820	SNE Fees Day Scholars	Fees paid by day scholars
3821	SNE Fees Boarding Scholars	Fees paid by boarding scholars
3829	SNE Fees Vocational Class	Fees paid by vocational scholars
3840	Accommodation	Guesthouse income
3841	Shop Rent	Privatized shop rent starting June 2024
3842	Water	Water-related income
3849	Guesthouse Income	Other guesthouse income
3850	GT Mechanical Workshop	Workshop-generated income
3851	GT Tailoring Workshop	Workshop-generated income
3859	Other Project Income	Farming and other project activities

- All incoming funds must be **banked within 24 hours** of receipt.
- Cash handling should follow **strict documentation**, including receipts and income logs.

## 6. Expenditure Management

Expenditures must follow approved budgets and be classified according to **expense codes** (Appendix B).

**Examples:**

Code	Expense Category
6000	Salary
6010	NSSF 10% and Penalties
6020	URA Penalties
6030	Income Tax
6040	Transport
6050	Capital Work in Progress
6060	Maintenance
6070	Electrical Power / Gas
6080	Cleaning Materials
6090	Teaching Aid Materials
6100	Other Fees / Contracts / Casual Workers
6110	Stationery
6120	Meetings / Conferences
6490	Farming Expenses
6500	Internal Transfer / Refund to Main Account



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**Key controls**

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- All payments must have supporting **invoices, receipts, or authorization forms**.
- **Petty cash** is limited to small, approved expenses under code 6460.
- Capital assets (codes 6290, 6300) require **Board approval**.
- Reimbursements must be submitted within 30 days with full documentation.

## 7. Bank and Cash Management

1. All organizational funds are held in approved **bank accounts**.
2. **Dual signatories** are required for withdrawals over UGX 500,000.
3. Bank reconciliations are performed **monthly** by the Finance Officer and reviewed by the Finance Manager.
4. Petty cash is reconciled **weekly** and recorded under code 6460.

## 8. Reporting

- **Monthly Reports:** Income, expenditure, and bank reconciliation submitted to the Executive Director.
- **Quarterly Reports:** Reviewed by the Board, including variance analysis between budgeted and actual expenses.
- **Annual Report:** Submitted to donors and regulatory authorities, including **audited financial statements** (code 6310).

## 9. Audits and Internal Controls

- An **independent audit** is conducted annually (code 6310).
- Internal audits or spot checks may be performed quarterly.
- Non-compliance or irregularities must be reported immediately to the Executive Director and Board.

## 10. Asset Management

- All assets are recorded in the **Asset Register**.
- Acquisition, transfer, or disposal of assets requires prior **approval** (codes 6290–6300).
- Maintenance and repairs (codes 6060, 6200) are tracked for sustainability and budgeting.



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- Loans received or extended must be approved by the Board.
- Donor funds must be used **strictly for intended purposes** and documented.
- Any refund, internal transfer, or loan repayment follows code 6500 or 3860.

## 12. Staff Training and Capacity Building

- Staff involved in financial management must undergo **regular training** (code 6390).
- Training includes financial policies, donor compliance, reporting, and ethical handling of funds.

## 13. Policy Review

This policy is **reviewed annually** or whenever there are regulatory, operational, or donor requirement changes.

### Approval

Director: **TAACA LOYCE ODWORI** Sign: .....Date: .....

