Chapter One
Introduction

1.1 Preamble

Whereas, the EIFS mobilizes a huge amount of funds to run various training programs in the absence of written accounting procedures;

Whereas, the EIFS originate various financial source documents in relation to training programs, but the EIFS account is maintained and entries are passed in another NBE directorates;

Whereas, there is no financial control systems in the EIFS;

Whereas, there is a need to streamline the EIFS budgeting and financial reporting practices;

Whereas, the EIFS success depends on its ability to plan and manage its business, utilize the available funds properly and report its performance regularly;

Whereas, implementing better accounting management systems that aim to ensure accountabilities and responsibilities of those employees involved in the finance process is crucial to the EIFS towards its endeavor achieving its vision.

Now, therefore, it becomes important to develop this accounting and finance procedure and lay down a foundation for the future.
1.2 Objectives of the procedure

The objective of this accounting and finance Procedures is to:

1.2.1. Provide consistent application of financial control system within the EIFS.
1.2.2. Support recording of accounting transactions and preparation of financial reports;
1.2.3. Increase efficiency by promoting standardization; and
1.2.4. Offer a repository of reference information.

1.3 Scope of the procedure

This procedure shall

1.3.1 Apply to all units under EIFS that have delegated authority to trainings in the EIFS;
1.3.2 Serve as a uniform guide in handling day to day financial operations of EIFS; and
1.3.3 Provide a direction to prepare budget and performance reports.

1.4 Governing rules

This procedure shall be governed by;

- Relevant FDRE tax law; and
- The NBE finance policy and procedures.
Chapter Five

Fund Collection Management

The objective of fund collection management is to ensure that all funds due from public financial institutions or other financial institutions or organizations as a result of membership contribution or training services or consultancy services delivered by EIFS are fully accounted in the EIFS financial records. Therefore, the following procedure and accounting entries shall be applied:

5.1. Membership contribution from Public Financial Institutions

5.1.1. Procedures and entries

5.1.1.1. The annual membership contribution from public financial institutions shall be in accordance with the percentage share approved by the Board of Trustee. The proposal shall be presented to the Board of Trustee at the beginning of every financial year for review and approval.

5.1.1.2. Upon approval the Director EIFS forward the approved percentage share to the D/Director support services for actions.

5.1.1.3. The D/Director support services instruct the senior finance officer to prepare requisition letter to member public financial institutions.

5.1.1.4. The senior finance officer shall prepare requisition letter by specifying the account number of EIFS maintained in the NBE and forwards it to the D/Director Support Service for signature.

5.1.1.5. The D/Director support service reviews the letter to ensure it is in line with the approved percentage share as well as the EIFS account is correct and signs it after making the necessary amendments, if any.
5.1.1.6. The signed letter is stamped and dispatched to the concerned public financial institutions through the administrative assistants by copying to the finance officer.

5.1.1.7. The administrative assistants of the institute shall follow up and ensure the delivery of requisition letters through the appropriate communication channels.

5.1.1.8. Upon receiving copy of the requisition letter the finance officer will post the amount on memorandum account as follows and attach all source documents.

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>XXX Bank Contribution</td>
<td>XXX</td>
</tr>
</tbody>
</table>

5.1.1.9. Then, the finance officer shall follow up and ensure whether the EIFS account is credited by the requested amount.

5.1.1.10. After the amount is credited, the finance officer shall collect the deposit ticket or deposit receipt from the depositor financial institutions and statements from NBE payment and settlement directorate as a proof of the deposit within two days.

5.1.1.11. Upon receiving proof of deposit the finance officer shall deduct the stated amount from memorandum account and record the collection immediately in general journal as follows.
5.1.1.12. At the end of each month the finance officer shall post the collection to the ledgers as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Account Titles and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>Cash in bank</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td>Membership Contribution</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td>Sum. Contribution from XXX Bank and insurance</td>
<td>XXX</td>
<td>XXX</td>
</tr>
</tbody>
</table>

5.1.1.13. The finance officer shall keep properly the documents in box files and made readily available for any further references.

5.1.1.14. The membership collection shall be made through payment and settlement system or, by front deposit by cheque or CPO.
5.2. Collection from Other Financial Institutions or Organizations

5.2.1. Procedure and entries to collect fund before delivery of services
The advance collection shall mean all funds received (collected) before delivery of service by acknowledging the total cost of the service before the beginning of every training program or other services to be delivered by EIFS. The services delivered by EIFS include training programs directly delivered by EIFS, training programs delivered by EIFS in partnership with other public financial institution or other organization, or other services directly provided by EIFS. The advance collection shall be 100% of the total cost of service.

5.2.1.1. The EIFS management team comprises the Director and all the D/Directors will decide to whom and when the advance collection shall apply.

5.2.1.2. The management team shall review the other financial institutions past records demonstrated under this procedure above to decide the advance collection.

5.2.1.3. Upon receiving the memo and relevant supporting documents from D/Directors Bank & MFIs/ Insurance training services, the D/Director Support Service instruct the senior finance officer to process the collection from financial institutions or other organizations who are agreed to utilize EIFS’s training services.

5.2.1.4. The senior finance officer shall ensure that the following and other relevant supporting documents are attached with the memo to process the collection:
- The name of the financial institution or organizations interested to utilize the EIFS services,
- List of training courses,
- The duration of the training program,
* Other services requested by the financial institutions or organizations.

5.2.1.5. Then, the senior finance officer shall prepare requisition letter by specifying the amount to be collected and account number of EIFS maintained in NBE and submits to D/Director Support Service for signature.

5.2.1.6. The D/Director Support Service shall review the amount, account number and the essence of the letter as per the predetermined rate and finally sign the letter.

5.2.1.7. The signed letter shall be stamped and dispatched to the concerned financial institutions through the administrative assistants by copying to the finance officer.

5.2.1.8. The administrative assistants of the institute shall follow and ensure the delivery of payment requisition letter through the appropriate communication channels.

5.2.1.9. Up on receiving copy of the requisition letter, the finance officer shall follow up in order to verify whether the account of EIFS is credited by the requested amount within fifteen days.

5.2.1.10. After the amount is credited, the finance officer shall collect the deposit ticket or deposit receipt from the depositor financial institution and statement of accounts from the NBE Payment and Settlements directorate as the proof of the deposit within five days.

5.2.1.11. Upon receiving the proof of deposit the finance officer shall record the revenue collection in the EIFS’s general journal as follows.
### 5.2.1.12
At the end of the training program and upon receiving the memo and relevant supporting documents from D/ Directors Bank & MFIs/Insurance training services about the completion of the training program, the finance officer shall record the revenue collection in the EIFS's general journal as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Account Titles and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>Cash in Bank</td>
<td>XXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Uncollected Revenue-Training Services</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td>Full collection for xx course from xx bank/Insurance/Etc</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 5.2.1.13
At the end of each month the finance officer shall post the collection in the ledger as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Revenue-training services</th>
<th>A/C No.</th>
<th>XXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>GJ</td>
<td>XXX</td>
<td>XXX</td>
</tr>
</tbody>
</table>
5.2.2. Procedure and entries to collect funds for training services
provided in partnership with EIFS partners

The collection of funds for training services provided in partnership with EIFS partners shall mean all funds received (collected) before delivery of service by acknowledging the total cost of the service before the beginning of every training program. The services delivered by EIFS include training programs delivered by EIFS in partnership with other public financial institution or other organization. The advance collection shall be 100% of the total cost as quoted by the EIFS partners.

5.2.2.1. Upon receiving the memo and relevant supporting documents from D/Directory Bank & MFIs or Insurance training services, the D/Directory Support Service instruct the senior finance officer to process the collection from those financial institutions or other organizations agreed to utilizes EIFS's training services.
5.2.2.2. The senior finance officer will ensure that the following supporting documents are attached with the memo to process the collection:
- The name of the financial institution or organizations interested to utilize the EIFS services.
- List of training courses.
- The duration of the training program.
- Other services requested by the financial institutions or organizations.

5.2.2.3. Then, the senior finance officer shall prepare requisition letter by specifying the amount to be collected and the account number of EIFS maintained in NBE and submits to D/Director Support Service for signature.

5.2.2.4. The D/Director Support Service shall review the amount, account number and the essence of the letter as per the predetermined rate and finally sign the letter.

5.2.2.5. The signed letter shall be stamped and dispatched to the concerned financial institutions through the administrative assistants by copying to the finance officer.

5.2.2.6. The administrative assistants of the institute shall follow and ensure the delivery of payment requisition letter through the appropriate communication channels.

5.2.2.7. Upon receiving copy of the requisition letter, the finance officer will follow up in order to verify whether the account of EIFS is credited by the requested amount within fifteen days.

5.2.2.8. After the amount is credited, the finance officer shall collect deposit ticket or deposit receipt from the depositor financial institutions and statement of accounts from the NBE payment and settlement directorate as the proof of the deposit within five days.
5.2.2.9. Upon receiving the proof of deposit the finance officer will record the revenue collection in the EIFS's general journal as follows.

<table>
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<tr>
<th>Date</th>
<th>Account Titles and Explanation</th>
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<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>Cash in Bank</td>
<td>XXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Uncollected Revenue- EIFS partners</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td>Full collection from xx course</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>from XXX bank/Insurance/Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.2.10. At the end of the training program and upon receiving the memo and relevant supporting documents from Directors Bank & MFIs or Insurance training services about the completion of the training program, the finance officer will record the revenue collection in the EIFS's general journal as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Account Titles and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>Uncollected Revenue- EIFS partners</td>
<td>XXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue- EIFS partners</td>
<td>XXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full collection for xx course</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>from xx bank/Insurance/Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.2.11. At the end of each month the finance officer shall post the collection in the ledger as follows.
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<tr>
<th>Date</th>
<th>Explanation</th>
<th>A/C No</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20xx</td>
<td>GJ</td>
<td>XXX</td>
<td></td>
<td></td>
<td>XXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Explanation</th>
<th>A/C No</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20xx</td>
<td>GJ</td>
<td>XXX</td>
<td></td>
<td></td>
<td>XXX</td>
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</tbody>
</table>

<table>
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<tr>
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<th>Debit</th>
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<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20xx</td>
<td>GJ</td>
<td>XXX</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Date</th>
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<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20xx</td>
<td>XXX</td>
<td>XXX</td>
<td></td>
<td></td>
<td>XXX</td>
</tr>
</tbody>
</table>

5.2.2.12. The collection could be made through payment and settlement or front deposit by CPO or Cheque.

5.2.2.13. The payment to EIFS partner shall be in accordance with the payment management process procedures stated under chapter four of this procedure.

5.2.3. Other miscellaneous collections
Under this procedure, mainly the collections arise from the issuance of lost certificates for those who request for replacement. The fee shall be determined by taking into consideration of all costs related
with certificate preparation. The following procedure shall be applied:

5.2.3.1. Upon receiving the instruction from D/Director Bank & MFI/Insurance training service, the D/Director Support Service shall instruct the finance officers to process the collection.

5.2.3.2. The finance officer shall instruct the beneficiary to deposit the certificate fee to the EIFS account in cash.

5.2.3.3. Upon receiving the copy of the deposit ticket, the finance officer shall confirm the payment by signing at the back of the deposit ticket and instruct the beneficiary to process the next steps with the Bank and MFI/Insurance training service team.

5.2.3.4. The finance officer shall retain copy of the deposit ticket and post to the general journal as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Account Titles and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>Cash in bank</td>
<td>XXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue- Certificate fee</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td>Collection for lost of xx course certificate from XXX</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.3.5. At the end of each month the finance officer shall post the collection in the ledger as follows.
# Ethiopian Institute of Financial Studies

## Ledger

<table>
<thead>
<tr>
<th>Date</th>
<th>Explanation</th>
<th>PR</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>GJ</td>
<td></td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
</tbody>
</table>

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## Ledger

<table>
<thead>
<tr>
<th>Date</th>
<th>Explanation</th>
<th>PR</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb x, 20XX</td>
<td>GJ</td>
<td></td>
<td>XXX</td>
<td></td>
<td>XXX</td>
</tr>
</tbody>
</table>

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6.12. Reimbursement

Reimbursement is a refund request made to EIFS by other financial institutions or organizations. Therefore, the following procedure and accounting entries shall be applied:

6.12.1. All requests for reimbursements must be made to EIFS by other financial institutions or organizations within ninety days from the date payments are made to EIFS.

6.12.2. All requests must be submitted in writing and subject to review and recommendations by the team that will be established in the EIFS. The team will include the following:

- D/Director Support Service- chair person
- D/Directors Bank & MFIs or Insurance training service as appropriate- member
- Respective program managers- member
6.12. Reimbursement

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6.12.2. All requests must be submitted in writing and subject to review and recommendations by the team that will be established in the EIFS. The team will include the following:

- D/ Director Support Service- chair person
- D/ Directors Bank & MFIs or Insurance training service as appropriate- member
- Respective program managers- member
- Respective Senior training officer- member
- Senior finance office- member and secretary

6.12.3. Other financial institutions or organizations who requests reimbursement will attach the following with its request letter:
- Proof of payment,
- Description of the training or other services for which reimbursement is requested, and
- Justification and supporting documents for reimbursement.

6.12.4. Reimbursement request will be accepted by the EIFS
- When the EIFS agreed to deliver the training or other services but failed to deliver it.
- When the EIFS believes that the justifications and supporting documents presented by other financial institutions or organizations is acceptable to EIFS.

6.12.5. Upon receiving request the Director will forward the request to D/Director support service.

6.12.6. The D/Director support services instruct the senior finance officer to complete the reimbursement approval form within five days.

6.12.7. Upon receiving the reimbursement request, the D/Director support service will present it to the team for review and recommendations not later than twenty days.

6.12.8. Upon receiving the recommendations, the Director EIFS will
- Review, approve and authorize refund up to Birr 50,000.
- Forward to Vice Governor Corporate service for review, approval and authorization of refund above Birr 50,000.

6.12.9. Upon approval the D/Director Support service instruct the finance officer to prepare letter.

6.12.10. The finance officer will prepare a letter by specifying the amount and financial institutions or organizations eligible for reimbursement of fund and submits to Director EIFS for refund up