FEDERAL UNIVERSITY OF TECHNOLOGY, MINNA

ACCOUNTING MANUAL FOR THE BURSARY DEPARTMENT

(Reviewed and Expanded Edition, 2025)

TABLE OF CONTENTS

CHAPTER ONE – GENERAL OVERVIEW

1.1 Introduction

The Bursary Department of the Federal University of Technology, Minna, serves as the financial management arm of the University, responsible for ensuring efficient financial management, financial planning, control, and reporting in accordance with statutory, institutional and regulatory frameworks.

Following the University's adoption of the Admon ERP Software developed by BISM Software Limited to fully digitalize the Bursary Department's financial operations and the increasing number of divisional heads, the need to review the existing Financial Manual was necessitated to enhance efficiency, transparency, and accountability in the performance of financial and accounting activities.

This Accounting Manual is therefore designed to serve as a guide to all accounting operations within the Bursary Department. It provides a standard framework for workflow, financial processing, reporting, and system controls in both manual and digital environments, and also serves as a training tool for new staff induction.

1.2 Vision

To be the most service delivery Department by ensuring clientele satisfaction, transparency, integrity, accountability and excellence in our financial, budgeting and advisory services.

1.3 Mission Statement

We are committed to making prompt payment to staff and contractors, treat them courteously, render our returns and maintain accurate records of transaction accordingly.

1.4 Mandate of the Department

The mandate of the Bursary Department includes, but not limited to, the following functions:

1. Formulation and preparation of the annual internal budget of the University and defending same before the Senate Estimates Committee, the Finance and General Purposes Committee (F&GPC), and the Governing Council.
2. Preparation and defense of capital, personnel, and overhead budget proposals annually through the National Universities Commission (NUC), Federal Ministry of Education, and Budget Office of the Federation for inclusion in the Federal Appropriation Bill.
3. Release of quarterly Direct Teaching and Laboratory Consumables (DTLC) funds to Schools and Departments.

4. Preparation and payment of staff emoluments for both permanent and temporary staff through the GIFMIS/TSA platform.
5. Preparation of quarterly F&GPC reports to Council.
6. To receive on behalf of the University all subventions, fees, assets and revenue payable to the University and official receipts shall be sufficiently discharged for the same.
7. To ensure that the funds of the University are spent in accordance with the Regulations laid down by Council and that no monies of the University are spent without appropriate authority
8. To maintain proper accounting records of income and expenditure, assets and liabilities.
9. To ensure compliance with financial regulations and the accounting code by all staff of the Department.
10. Deduction and remittance of taxes to the Federal Inland Revenue Service (FIRS) and the State Board of Internal Revenue.
11. Preparation of project reports on Tertiary Education Trust Fund (TETFund) interventions.
12. Reconciliation of Central Bank statements with records in the cash book.
13. Preparation of annual financial statements.
14. Preparation of financial reports for the National Assembly, NUC, Federal Ministry of Education, Accountant-General of the Federation, and Auditor-General for the Federation.
15. Preparation and payment for projects, contracts, and services rendered.
16. Maintenance of stores and store records.
17. Insurance of University assets and Group Life policies for staff.
18. Maintenance of staff loan records and processing of loan payments after approval by the Loans Committee.

1.5 Objectives

In order to achieve the above vision and mission, the Bursary Department aims to:

1. Ensure that all students pay the prescribed registration fees promptly.
2. Establish systems to detect and sanction defaulters of fees and other charges.

3. Expand the revenue base of the University through innovation and efficiency.
4. Ensure that University purchases comply with procurement regulations and are made at the most reasonable cost.
5. Ensure timely preparation and submission of annual budgets.
6. Ensure timely and accurate production of financial statements.

CHAPTER TWO – ACCOUNTING MANUAL FRAMEWORK

2.1 Overview

The manual serves as both a **regulatory document** and a **reference guide** for all staff of the Bursary Department and other officers involved in financial administration. It ensures that all financial activities are carried out in line with approved accounting standards, including the International Public Sector Accounting Standards (IPSAS), Treasury Circulars, and the University's internal control framework.

2.2 Purpose of the Accounting Manual

The Accounting Manual is produced to describe the procedures to be followed and the documents to be maintained daily to ensure timely and accurate financial reporting. The purpose includes:

A. To serve as a guide to accounting staff in performing their duties.
B. To prevent fraud, financial irregularities, and mismanagement of resources.
C. To ensure compliance with government financial regulations and extant laws.
D. To provide a sound basis for management decision-making.
E. To enhance effectiveness, efficiency, and transparency in the University's operations.

CHAPTER THREE – BURSARY DEPARTMENT STRUCTURE

3.1 Organizational Structure

The Bursary Department operates under the supervision of the **Bursar**, who reports to the Vice-Chancellor. The Department is divided into **Divisions**.

The structure ensures accountability, division of labour, and efficient financial administration across the University.

The divisions are:

1. Treasury Division
2. Finance Division
3. Payroll, Pension & Insurance Division
4. Budget & Final Accounts Division
5. Cashbook & Reconciliation Division
6. Accounts Payable & Expenditure Control Division
7. School/College Finance Office
8. Postgraduate/Centres/Special Projects Finance Office
9. Bosso Campus Finance Office

3.2 Treasury Division

The Treasury Division serves as the financial nerve centre of the University. It manages all cash inflows and outflows, maintains banking relationships, and ensures liquidity management in line with University's policies, Laws & Regulations.

Units within the Treasury Division:

- Cash Management Unit
- Investment and Ventures Unit
- Stores Unit
- Grants and Endowment Unit
- Students' Account Unit

Functions:

1. Collection of all University revenues and issuance of official receipts.

2. Custody of official receipt booklets and other financial security documents/items.
3. Management of investments and reconciliation of returns.
4. Custody and maintenance of petty cash imprests.
5. Management of foreign transactions.
6. Verification of receipts and payments processed through Remita.
7. Monitoring of externally funded projects and grants.
8. Weekly reporting of bank balances to the Bursar.
9. Processing of scholarships and awards to qualified students.
10. Conduct of quarterly and yearly stores inventory.
11. Ensuring all transactions are properly documented.
12. Compliance with procurement standards in purchases and material issuance.
13. Clearance and verification of new students' financial records.

3.3 Finance Division

The **Finance Division** is responsible for the management and control of all capital project, and special intervention funds of the University, including **TETFUND and NEEDS** Assessment Projects. It comprises of two Units namely:

- **Capital Unit**
- **TETFund Unit**

Functions:

1. Maintenance of capital project ledgers and preparation of payment vouchers for capital Projects.
2. Maintenance of TETFund and Needs Assessment project financial records.
3. Compilation of quarterly and annual reports to regulatory bodies including the NUC, Federal Ministry of Education, and the National Assembly.
4. Deduction & Remittance of statutory deductions such as taxes to relevant authorities.

3.4 Payroll, Pension & Insurance Division

Payroll/Pension & Insurance Division: This Division is saddled with the responsibility of paying all Staff emoluments both permanent and temporary Staff of the University. Though the responsibility of paying pension allowance to our pensioners on old scheme has been transferred to Pension Transitional Arrangement Directorate (PTAD) with effect from August, 2015, the Unit still coordinate both new and old pension activities. The Unit is also charged with the responsibility of advising the Bursar on the list of assets to be insured on regular bases.

The Division comprises of two Units namely:

- Payroll
- Pension & Insurance

Payroll Unit:

i. The Unit is responsible for the preparation and processing of salary payment for all staff through GIFMIS
ii. Enrollment of new staff into payroll and stoppage of staff salary as may be directed by the Management
iii. Deduction and remittance of PAYE to the Niger State Board of Internal Revenue
iv. Deduction and remittance of statutory deductions and other third-party deductions from staff Salaries to the various organizations on monthly bases. E.g. NHFund, Contributory Pension, PAYE and others
v. Uploading of Contributory Pension deductions to the various PFAs
vi. Uploading of National Housing Fund deductions from Staff salaries to the Nation Housing Fund account with Federal Mortgage Bank.
vii. Processing payment of burial expenses to the next of kin of the deceased staff
viii. Raising all manners of payment vouchers emanated from the Unit electronically through AdmonBursary software

ix. Distribution of Salary Payslips to staff through Admonpayroll Software to individual staff e-mail.

Functions of Pension & Insurance Unit:

1. Coordination of old and new pension schemes with PTAD and PENCOM.
2. Processing and forwarding of terminal benefits and Group Life Insurance claims to the Federal Ministry of Education and Head of Service of the Federation in respect of the deceased Staff to be paid to the next of kin.
3. Liaising with next of kin of deceased staff.
4. Advising the Bursar on insurance policies for University

3.5 Budget & Final Accounts Division

The **Budget and Final Accounts Division** is a central financial management arm of the Bursary Department responsible for preparing, controlling the University's budget, preparation and presentation of the financial statements in line with **IPSAS (International Public Sector Accounting Standards)**.

The Division comprises of the following Units:

- Budget Unit
- Final Accounts Unit

Functions:

1. Preparation of the University's recurrent and Federal Government budgets.
2. Liaising with third-party stakeholders on budget matters (NUC, BOF}
3. Preparation of IPSAS-based financial statements.
4. Coordination of external audits and financial reviews.
5. Submission of audited accounts to relevant authorities.
6. Coordinate the activities of visitors from supervisory agencies while on official duty at the University.

3.6 Cashbook & Reconciliation Division

This division maintains the University's cashbooks and reconciles them with bank statements to ensure financial integrity.

Functions:

1. Maintenance of cashbooks for all University accounts.
2. Preparation of reconciliation statements for all bank accounts.
3. Verification of bank statement entries and correction of discrepancies.
4. Monthly extraction of cashbook balances and reports.
5. Scrutinizing the bank statements to ensuring proper posting into all the University's account
6. Making enquiries on unsatisfied entries in the bank statement.

3.7 Accounts Payable & Expenditure Control Division

i. The **Accounts Payable and Expenditure Control Division** is responsible for maintaining vote-books, expenditure ledgers in respect to their budget heads, manages cash advance payments and ensures it timely retirement and also manages all forms of loans given to staff in the University. It comprises of the following Units:

Units:

- Expenditure Control Unit
- Staff Loans & Advances Unit
- E-Payment Unit

Functions:

1. Maintenance of staff loan and advance ledgers.
2. Maintenance of vote books and expenditure control ledgers.
3. Maintenance of DTLC Register
4. Processing of payment vouchers and remittance schedules.
5. Posting of payments through the GIFMIS and Remita platform.
6. Processing of statutory remittance payment vouchers (WHT, VAT, etc.)
7. Any other functions as may be directed by the Bursar

3.8 School/College Finance Office

The School/College Finance Office serves as the operational arm of the Bursary within each school or college. It provides front-line financial advice for academic and administrative activities, ensuring compliance with approved budgets, University financial policies, and Admon ERP procedures.

Each School/College Finance Officer works closely with the Dean, Heads of Department, and School/College Officers to implement financial controls, process expenditures, and generate performance reports.

Functions:

1. Maintenance of expenditure control ledgers for schools and departments.
2. Preparation of payment vouchers using Admon ERP.
3. Advice to Deans and Heads of Departments on financial matters.
4. Oversight of financial compliance and reporting.
5. Any other functions as may be directed by the Bursar

3.9 Postgraduate/Centres/Special Projects Finance Office

This office maintains financial records of postgraduate programmes and University Centres.

Functions:

1. Maintains financial records of the School of Postgraduate Studies and special projects.
2. Clearance of postgraduate students' financial records prior to final defense.
3. Maintenance of separate ledgers for centres and research hubs.
4. Preparation of quarterly financial reports.
5. Compliance with donor reporting standards.
6. Any other functions as may be directed by the Bursar

3.10 Bosso Campus Finance Office

The Bosso Campus Finance Office serves as the operational arm of the Bursary at Bosso Campus. It provides front-line financial advice for academic and administrative activities, ensuring compliance with approved budgets, University financial policies, and Admon ERP procedures.

Bosso Camous Finance Officers work closely with the Dean, Heads of Department, and School/College Officers to implement financial controls, process expenditures, and generate performance reports

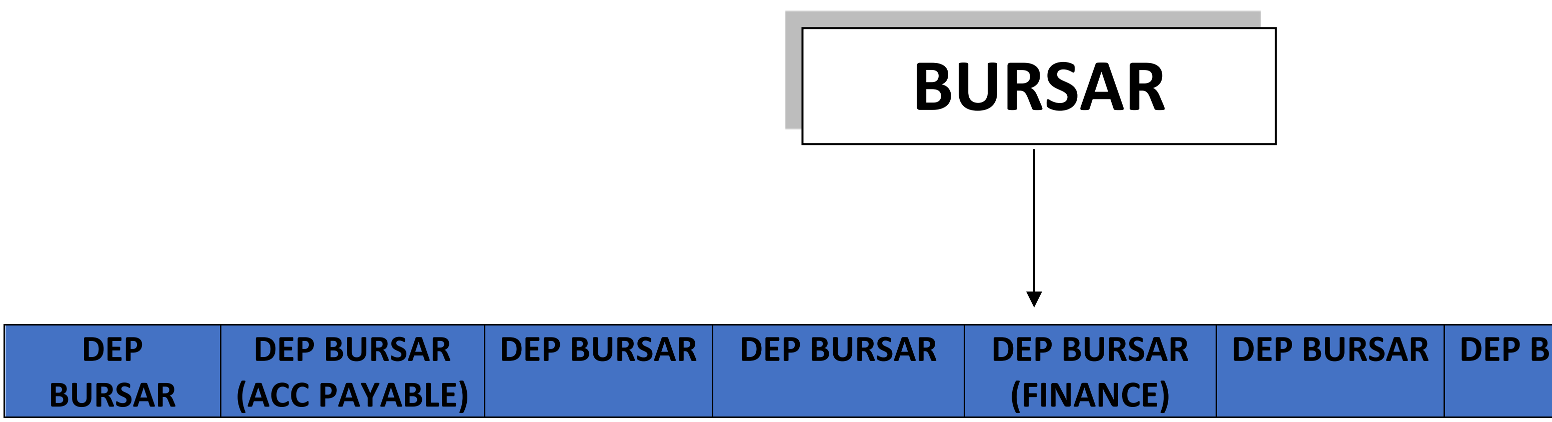
Functions:

1. Maintenance of expenditure control ledgers for schools and departments.
2. Preparation of payment vouchers using Admon ERP.
3. Advice to Deans and Heads of Departments on financial matters.
4. Oversight of financial compliance and reporting.
5. Any other functions as may be directed by the Bursar

3.11 Bursary Department Organogram

The organogram shows the internal structure of the department and the relationships between the staff with flow of responsibilities/ reporting from the Head to the last rank in the department. The organogram for Bursary department is as shown below.

ORGANIZATION CHART OF BURSARY DEPARTMENT



(TREASURY)		(PAYROLL/PENSION)	(BUDGETS/FINAL ACCOUNT)		CB/RECONCT.	SCHS/ G
➢ Cash Operations ➢ Students Accounts ➢ Investment ➢ Stores ➢ Grant & Endowment	➢ Exp. Control ➢ DTLC ➢ Loans/Advance ➢ E-Paymt	➢ Payroll ➢ Data Processing ➢ Pension ➢ Insurance	➢ Budgets ➢ Gen. Ledger ➢ Inter-governmental Relations	➢ Capital Projects ➢ NEEDS Ass. ➢ TETFund	➢ Cash Book ➢ Reconciliation	➢ ➢ ➢

CHAPTER FOUR – ACCOUNTING POLICIES

4.1 Introduction

Accounting policies are the specific principles, basis, conventions, rules, and practices adopted by an organization in preparing and presenting its financial statements.

Federal University of Technology, Minna, developed these polices in accordance with the **International Public Sector Accounting Standards (IPSAS)**, relevant

Financial Regulations, Circulars and the **University's internal control framework**.

These policies ensure that all financial transactions are recorded consistently and transparently across all departments and that the financial statements provide a true and fair view of the University's financial position.

4.2 Basis of Accounting

1. **Historical Cost Convention:**
   All financial statements shall be prepared under the historical cost convention, except where revaluation is required for specific asset classes.
2. **Accrual Basis:**
   The accrual basis of accounting shall be used to recognize income as it is earned and expenditure as it is incurred, regardless of the timing of cash flows.
3. **Consistency Principle:**
   Accounting methods and classifications shall be applied consistently from one period to another to ensure comparability.
4. **Compliance with IPSAS:**
   The University shall prepare and present its financial statements in line with IPSAS requirements and other approved public-sector accounting frameworks.

4.3 Depreciation and Fixed Assets Policy

Depreciation shall be charged to reflect the systematic allocation of the depreciable amount of an asset over its useful life. The following rates and methods shall apply unless revised by management or directed by regulatory bodies:

Asset Category	**Depreciation Method**	**Rate (%)**
Land & Buildings	Straight Line	2%

Plant & Machinery	Straight Line	20%
Motor Vehicles	Straight Line	20%
Office Equipment	Straight Line	20%
IT Equipment	Straight Line	20%
Furniture & Fittings	Straight Line	20%

All fixed assets shall be recorded in the **Non-Current Asset Register**, maintained and updated annually by the Treasury Division (Stores Unit).

4.4 Inventory Policy

Inventory shall be valued at the **lower of cost or net realizable value (NRV)**. Periodic inventory counts shall be conducted quarterly and at year-end to ensure accuracy of stock records.

All consumables and store items shall be properly documented, and movement in and out of stores shall be authorized by the Bursar or any officer designated by him.

4.5 Endowment Funds Policy

Endowment funds shall be used strictly for the purposes for which they are established. Separate ledgers shall be maintained for each endowment to ensure accountability and transparency in fund management.

4.6 Financial Year

The University's financial year shall begin on **1st January** and end on **31st December** of each calendar year.
All financial reports, including the Annual Financial Statements, shall be prepared within the first quarter of the following year.

4.7 Internal Control and Reconciliation

1. Cashbooks and bank reconciliations shall be prepared monthly.

2. All vote books across departments shall be closed by **15th December** annually to allow for year-end adjustments.
3. Trial balances shall be generated monthly for internal review and quarterly for management reporting.
4. All financial transactions shall be subject to internal audit verification prior to final approval.

4.8 Review and Amendment of Policies

Accounting policies shall be reviewed periodically by the Bursary Department with the approval of the Vice Chancellor and updated to reflect changes in statutory and regulatory framework.

CHAPTER FIVE – FINANCIAL REPORTING

5.1 Introduction

Financial reporting is the process of preparing and presenting information about the financial activities and position of the University in a structured and understandable manner.
Financial reporting provides management, regulatory authorities, and other stakeholders with accurate data for decision-making, accountability, and transparency.

The University's financial reports are prepared in accordance with:

- **International Public Sector Accounting Standards (IPSAS)**,
- **Federal Government Financial Regulations (2009)**,
- **National Universities Commission (NUC) reporting requirements**, and
- **The University's Accounting Manual.**

5.2 Books of Accounts

The following books of accounts are maintained by the Bursary Department:

1. **Cashbook** – for recording all receipts and payments.
2. **Vote Book** – for tracking budgetary provisions and expenditures.
3. **Bank Reconciliation Statement** – to compare cashbook balances with bank balances.
4. **Ledger Accounts** – for recording transactions by account code.
5. **Journal Book** – for non-cash adjustments and correcting entries.
6. **Fixed Asset Register** – for tracking non-current assets.
7. **Payroll Ledger** – for employee-related payments.
8. **Loans and Advances Register** – for staff loans and impressts.

5.3 Cashbook

The **Cashbook** is the primary accounting record for all cash and bank transactions. It contains separate columns for:

- Date,
- Particulars,
- Payee
- Beneficiary
- Payment Voucher (PV) number,
- Receipt number,
- Amount received,
- Amount paid, and
- Balance.

All receipts and payments must be supported by appropriate documentation, duly authorized, and recorded daily.

5.4 Bank Reconciliation Statement

Bank reconciliations must be prepared **monthly** for all University bank accounts to identify differences between the cashbook balance and bank statement.
Common reconciling items include:

- Unpresented cheques,

- Uncredited lodgments, and
- Bank charges or interest not yet recorded.

The reconciliation statement must be reviewed and signed by the Division Head and approved by the Bursar.

5.5 General Ledger and Trial Balance

The **General Ledger** is the central record into which all sub-ledgers and journals are posted. Each account (assets, liabilities, revenue, and expenditure) is assigned a unique code in the **Chart of Accounts (CoA)**.

A **Trial Balance** is extracted monthly to verify that total debits equal to total credits, serving as the foundation for preparing the University's financial statements.

5.6 Statement of Financial Performance (Income and Expenditure)

This statement shows the University's income and expenditure, and resulting surplus or deficit for the period.
Sources of income include:

- Federal Government allocations,
- Internally Generated Revenue (IGR),
- TETFund interventions, and
- Grants and donations.

Expenditure categories include:

- Personnel costs,
- Overhead costs,
- Capital expenditures, and
- Other operating expenses.

5.7 Statement of Financial Position (Balance Sheet)

This statement presents the University's assets, liabilities, and accumulated funds as at the reporting date.
Assets include:

- Non-current assets (land, buildings, vehicles, etc.)
- Current assets (cash, receivables, inventory)
  Liabilities include:
- Current liabilities (creditors, accruals, etc.)
- Non-current liabilities (long-term borrowings, endowment obligations)

5.8 Statement of Cash Flows

This report provides details of cash inflows and outflows categorized into:

1. **Operating activities** – daily financial transactions.
2. **Investing activities** – acquisition or disposal of non-current assets.
3. **Financing activities** – borrowing, repayment, and capital inflows.

It helps management assess the University's liquidity and ability to meet financial obligations.

5.9 Statement of Changes in Net Assets/Equity

This statement records changes in accumulated surpluses, reserves, and revaluation gains or losses over the financial period. It tracks how surpluses from operations and other comprehensive income affect the University's equity position.

5.10 Notes to the Accounts

The Notes form an integral part of the financial statements. They provide explanations, accounting policies, and detailed breakdowns of line items such as:

- Depreciation schedules,
- Fixed asset movements,
- Loan balances, and

- Disclosure of contingent liabilities.

CHAPTER SIX – BANKING OPERATIONS

6.1 Introduction

Banking operations form a vital part of the financial management framework of the Federal University of Technology, Minna.
They involve the opening, maintenance, and operation of various bank accounts for efficient management of funds, in compliance with Federal Treasury regulations, the University's internal control framework, and the Treasury Single Account (TSA) policy of the Federal Government of Nigeria.

6.2 University Bank Accounts

The University operate account on Government Integrated Financial Management Information System (GIFMIS) for Federal Government Appropriation which includes;

A. Personnel
B. Overhead
C. Capital

Based on Federal Government policies on Treasury Single account (TSA), the University operate the following account with the Central Bank of Nigeria.

A. Revenue Account (E-Collection)
B. Project Account
C. Needs Assessment Account
D. Tetfund Account.
E. Domiciliary Accounts (Dollar, Euro & Pounds)
F. NELFUND Account

All these accounts are domicile in Central Bank of Nigeria but operate through remita platform except the domiciliary account.

6.3 Bank Account Signatories

The number of signatories required in the bank accounts authorization is maximum of 3, they include Vice chancellor, Deputy Vice chancellor, Bursar or Deputy Bursar. This is only applicable to the E-payment mandate for domiciliary account.

The Treasury Single Account (TSA) and Government Integrated Financial Information system (GIFMIS) authorizes payment through the role players and each role player is created after the Vice Chancellor has officially communicated both in writing and in person (in the case of TSA) the role player to the Accountant General of the Federation requesting for the creation of the specified role for such staff. The required role players for payment authorization on TSA Platform are stated below:

ROLE	**REMARK**
INITIATOR	AS NORMINATED BY THE BURSAR AND APPROVED BY THE VICE CHANCELLOR
REVIEWER	AS NORMINATED BY THE BURSAR AND APPROVED BY THE VICE CHANCELLOR
APPROVAL	BURSAR

CHAPTER SEVEN – FINANCIAL OPERATIONS

7.1 Introduction

Financial operations in the Bursary Department of the Federal University of Technology, Minna, cover all activities involved in the receipt, custody, disbursement, and control of funds.
These operations are guided by the University's **Accounting Manual**, **Financial Regulations (2009)**, **Public Procurement Act (2007)**, and other extant circulars issued by the Federal Government of Nigeria.

The aim is to ensure that funds are utilized prudently, transactions are properly documented, and records are maintained in line with IPSAS standards and internal control procedures.

7.2 Imprest System

The department shall maintain an imprest system which will be domicile in the cash office in order to meet up with day to day running of the department. The imprest shall be managed by the head of cash office unit with maximum amount of two Hundred Thousand Naira **(N200,000.00)** which shall be replenished as soon as it is exhausted. Each payment must not exceed **N20, 000.**

7.3 Non-Current Asset Register

The University maintains a **Non-Current Asset Register (NCAR)**, which records all assets owned by the institution.
Each entry shall include:

- Asset description
- Location
- Cost
- Date of acquisition
- Asset code number, and
- Estimated useful life
- Depreciation
- Carrying Amount

The NCAR shall be maintained by the **Treasury Division (Stores Unit)** and updated annually in collaboration with the **Capital Unit**.

7.4 Store and Inventory Management

There must be store officer in charge of the Central Store and shall be responsible for the University Stores and Non-Current Assets. She/he must maintain relevant books of items in his or her custody. General inventory taking must be done quarterly and at the Year end with the University External Auditor.

7.4.2 Inventory Valuation

Inventories shall be valued at the **lower of Cost or Net Realizable Value (NRV)**.

7.5 Chart of Accounts (CoA)

The chart of accounts is the coding format that determines the level of details at which record of financial transactions will be maintained in the books of the University. It has been designed to be Compatible with the operation of the University and arranged in a way to make information retrieval easy. It is arranged to agree with financial report formats that are in used presently or will be used in the foreseeable future. A good chart of account system must give room for expansion, modification and even contraction and must be readily compatible to any computer system or software installation. The chart of account in use by the University currently is compatible with the National Chart of Account (NCOA)

See attached appendix

7.6 Filing of Audited Financial Statements

The University shall prepare and submit audited financial statements annually to the following authorities:

- Governing Council,
- National Universities Commission (NUC),
- Federal Ministry of Education,
- Accountant-General of the Federation, and
- Auditor-General for the Federation.

The preparation of these accounts is coordinated by the **Final Accounts Unit** of the Bursary Department, and audit queries arising therefrom must be addressed promptly.

7.7 Internal Control Procedures

Internal control is the backbone of sound financial management. The University's control framework covers:

1. **Authorization** – No payment shall be made without proper approval.
2. **Segregation of Duties** – No officer shall initiate, approve, and record the same transaction.

3. **Documentation** – All transactions must be supported by appropriate documents.
4. **Reconciliation** – Monthly reconciliation of accounts is mandatory.
5. **Supervision** – Superior officer must verify and approve subordinate activities.

7.8 Compliance with Ethical Standards

All Bursary staff must comply with the University's Code of Conduct, Financial Regulations, and professional ethics as outlined by accounting bodies such as **ANAN**, **ICAN**, and **CIPFA**.

CHAPTER EIGHT – BUDGETING, APPROVAL LEVEL AND REVENUE GENERATION

8.1 Introduction

Budgeting is an essential component of financial management and planning within the Federal University of Technology, Minna.
It involves estimating the income and expenditure for the University over a defined period (usually one year) and allocating resources in line with the institution's strategic priorities.

The budgeting process ensures that financial resources are efficiently utilized, waste is minimized, and performance can be monitored and evaluated.

8.2 Objectives of Budgeting

The primary objectives of budgeting includes:

1. Ensuring judicious allocation and utilization of funds.
2. Providing a financial plan for executing the University's objectives.
3. Establishing a framework for controlling income and expenditure.
4. Assisting management in decision-making and priority setting.
5. Serving as a performance evaluation tool for departments and units.
6. Promoting accountability and transparency in financial operations.

8.3 Budgeting Control and Monitoring

Budgetary Control is the mechanism put in place to ensure that budget prepared and approved by the appropriate authority are adhered to and that expenditures are incurred only on the authorized and purpose for which the budget was approved.

The control is also to ensure that all University's revenues are collected. It is part of the mechanism to investigate and put corrective measures in place where there is great variance between the Budget and Actual Revenue and Expenditure.

Budget monitoring involves;

i. Performance report of Federal Government Appropriation for the University
ii. Achievement of the University's policy objectives
iii. Implementation plan on the University Internally Generated Revenue and Utilization of available resources

8.4 Budget Preparation.

Budget preparation involves Federal Government Appropriation and the University Recurrent Budget;

8.4.1 Federal Government Appropriation:

The preparation begins with the receipt of Budget Call Circular from the Budget Office of Federation and the circular which details out the aims, objectives and procedure for the preparation of the appropriation. The first document to be prepared is the Medium-Term Sector Strategy (MTSS) for three years (or five as the case may be) which will serve as a basis for the preparation of appropriation (Capital Budget Appropriation)

The Federal Government Appropriation consist of Personnel, Overhead and Capital expenditure. After the preparation of proposed estimate, it will be uploaded to Government Integrated Financial Management Information System (GIFMIS) under Budget preparation platform.

8.4.2 The University Recurrent Budget:

The process for the preparation of the University Recurrent Budget begins with budget call circular to all the department/unit/centre for submission of recurrent estimate for the incoming year. Though the personnel estimate must be in line with the Federal government policy on personnel since they fund the Personnel Cost 100%.

The actual expenditure and revenue of the current year will be ascertained to serve as a basis for the incoming year estimate. The basis of the incoming year estimate on revenue will be determined by the student population, bed space, revenue generating unit etc. while that of expenditure will be based on available revenue.

The Budget undergoes three stages before final approval for the implementation;

- **The first stage** - presentation to management for consideration and adoption.
- **The second stage**- presentation to Senate Committee on Estimate and Budget.
- **The third stage-** presentation to Council for final approval

After Council approval, the budget will be sent to all Principal Officers, Deans, Head of Departments, Directors, Coordinators, Head of Internal Audit, all sectional/ unit heads in bursary and finally upload on the University website.

8.5 Authority Level and Approval

The University Council upheld the policy of BPP on approval threshold on expenditure limit for the various levels of officers in the University. The threshold are as follows:

S/N	RANK	APPROVAL LIMIT
1	Heads of Departments	N150,000 & below
2	Deans/Directors	N200,000 & below
3	Principal Officers	N300,000 & below
4	Vice-Chancellor	Less than N25million (Goods, Consultancy &

		Services) Less than N 50millon (Works)
5	Tender Board	Above N25 million< N500Million (Goods Consultancy & Services) and N50 million and above but < N1billion (Works)

8.6 Revenue Generation

8.6.1 Introduction

Revenue generation is a fundamental aspect of financial sustainability for the Federal University of Technology, Minna.
While the University receives statutory allocations from the Federal Government, it also engages in other sources of revenue generation to augment Federal Government allocation.

This chapter outlines the major sources of the University's revenue, the procedures for revenue collection, and the control mechanisms to ensure transparency and accountability.

8.6.2 Sources of Revenue

The University's revenue sources are classified into two broad categories:

A. FGN & Other Grants

1. **FGN** Appropriation – Annual grants received from the Federal Government.
2. **TETFund Grant** – Allocations for various interventions
3. **Research Grants and Donor Support** – Funds from national and international agencies to support academic research and capacity development.

B **Student's Charges**

C. Internally Generated Revenues (IGR) such as**:**

1. Consultancy and professional services.
2. Commercial ventures
3. Miscellaneous income such e.g tender fees.

CHAPTER NINE – DIGITAL TRANSFORMATION OF THE BURSARY OPERATIONS

9.1 Introduction

In line with global best practices and the Federal Government's drive towards e-governance, the Federal University of Technology, Minna, has embraced digital transformation in its financial operations.

The University adopted the **Admon ERP System**, a comprehensive financial management software developed by **BISM Software Limited**, to enhance efficiency, transparency, and accountability across all Bursary operations.

This chapter outlines various Admon ERP applications and their roles in automating the University's financial transactions. The Admon ERP is sub divided in to Admon Bursary and Admon pay. The **Admon Bursary** comprises of nine modules including Audit module and is designed to handle all bursary operations while the **Admon pay** focuses on processing university payroll.

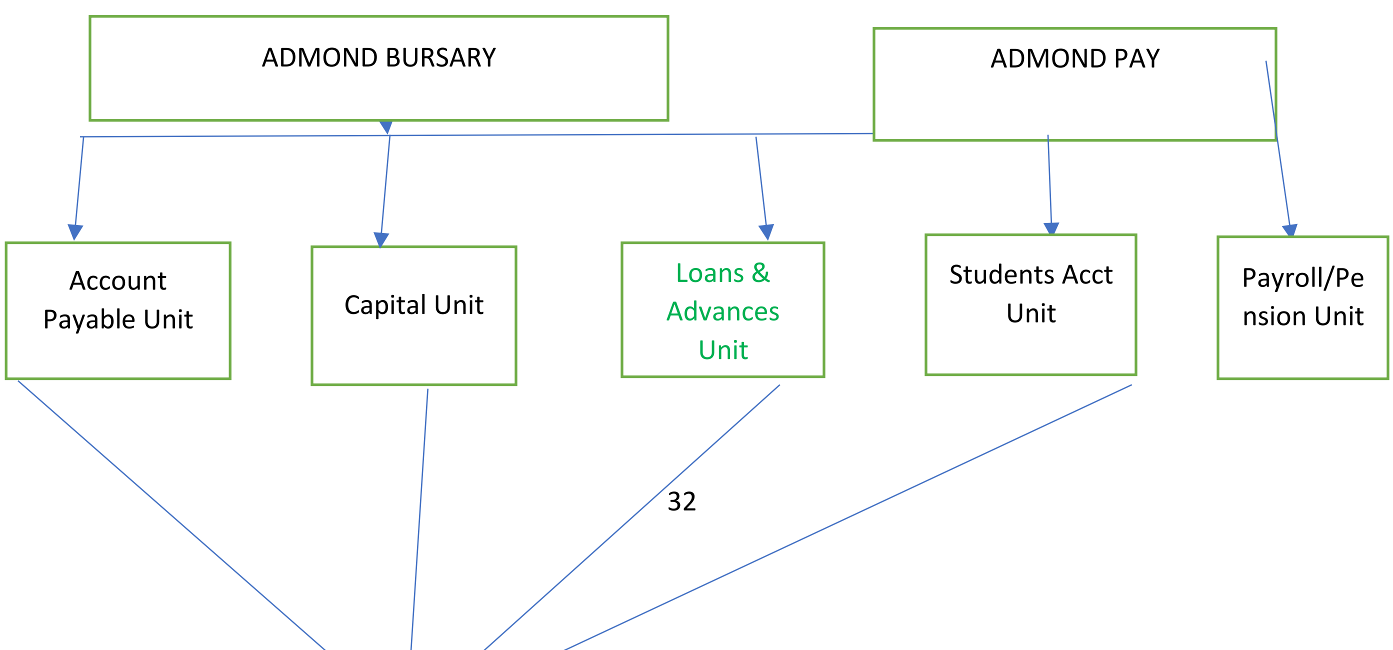
9.2 Objectives of the Digital Transformation

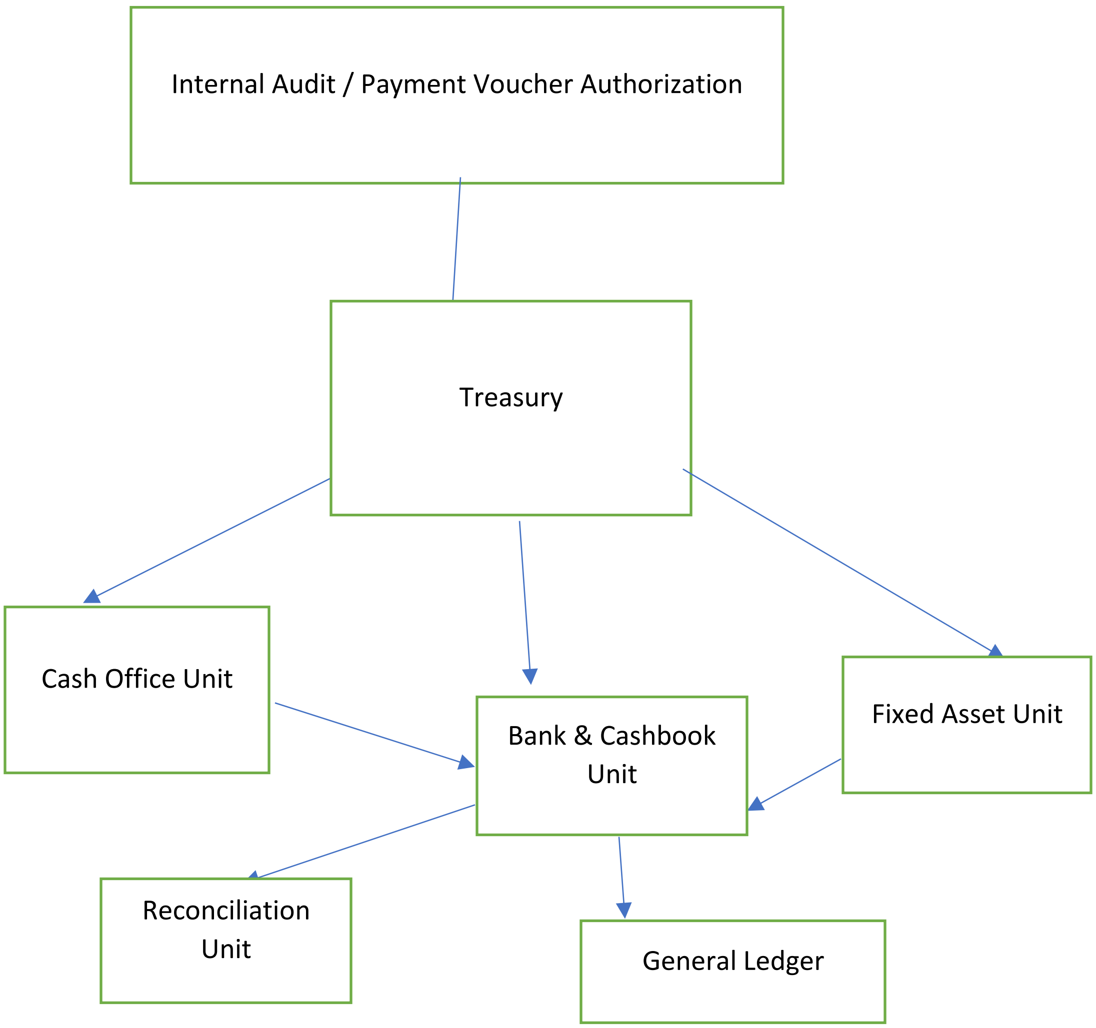
The objectives of digitalizing the Bursary Department include:

1. Streamlining and automating accounting workflows.
2. Reducing manual errors and processing delays.
3. Improving real-time financial reporting and monitoring.
4. Ensuring compliance with IPSAS and other statutory standards.

5. Enhancing transparency, security, and data integrity.
6. Promoting paperless operations and cost efficiency.

9.3 Chart of Bursary Computerization





9.4 Operational roles of Admon Bursary Application

9.4.1 General Ledger Module

This module integrates all financial transactions from other modules as depicted in the chart of Bursary computerization. It enables the following functions:

1. Chart of Accounts creation and maintenance.
2. Posting of journal entries and adjustments.
3. Generation of trial balance and financial statements reports.
4. Period-end closures and year-end processing.

9.4.2 Budget Module

The Budget Module facilitates the input and allocation of the University's expenditure budget across various schools, departments, centers, and units. Additionally, it allows for the input and allocation of revenue to effectively monitor performance. This module is designed to generate comprehensive budget execution reports for different budget categories, thereby enabling effective performance monitoring. Furthermore, it supports processes for correcting commitments in instances of erroneous transaction postings.

9.4.3 Accounts Payable Module

This module handles payment voucher processing for capital projects, reimbursement of staff claims, Multicurrency transactions, contractors and supplier’s payment etc using appropriate code. It enhances commitment of transactions to various votes to monitor budget utilization. The module enables processing and remittances of statutory deduction payments as well as report generation for various payment categories.

9.4.4 Accounts Receivable Module

Handles all receivable transactions including student fees, project grants, and service charges.

Functions:

1. Posting of income receipts.
2. Tracking of outstanding receivables.
3. Automatic generation of receipts and acknowledgments.

4. Integration with student billing and revenue reports.

9.4.5 Staff Advance Module

Facilitates the management of staff advances and retirements.
Functions:

1. Processing of staff advances.
2. Tracking of outstanding advances.
3. Processing and posting of retirement vouchers.

9.4.6 Banking & Treasury Module

This module automates cash management and banking operations.
Functions:

1. Bank account maintenance and reconciliation.
2. Cashbook management.
3. Generation of treasury reports and cashflow forecasts.
4. Integration with GIFMIS and Remita for online payments.

9.4.7 Fixed Asset Module

Manages the recording and tracking of non-current assets.
Functions:

1. Registration of all University assets.
2. Automatic computation of depreciation.
3. Asset tagging and transfer management.
4. Enable disposal of obsolete or unserviceable assets.

9.4.8 Student Accounts Module

This module manages all student-related financial transactions.
Functions:

1. Billing for tuition, accommodation, and other charges.
2. Online payment verification.
3. Generation of student account statements.
4. Integration with the Student Information System (SIS).

9.5 Admon Payroll Application (move to end)

Automates payroll processing for all categories of staff.

Functions:

1. Payroll computation and variation processing.

2. Statutory deductions (PAYE, NHF, Pension contribution, etc.).

3. Generation of Payslips and payroll reports.

4. Integration with personnel database for staff records.

9.6 Security and Access Control

The Admon ERP system operates under a secure access framework:

1. Each user is assigned unique login credentials and roles.
2. Approval hierarchies are embedded in the system.
3. Audit trails record every transaction for accountability.
4. Regular data backups are performed by the Admon ERP Administrators.
5. Unauthorized access or tampering constitutes a disciplinary offence.

9.7 Continuous Improvement

The Bursary Department, in collaboration with the ITS Directorate and the software providers shall continuously upgrade and maintain the Admon system to align with new technologies and regulatory changes.

Staff shall also undergo periodic training and capacity building to ensure effective system utilization and data integrity.

9.8 System Administrator

The System Administration serves as the control center for the Admon Bursary and Admon Pay applications. It offers essential configuration, security, and administrative tools necessary for the effective management of users, data setup, and backup operations. The administrator is responsible for ensuring that only authorized users have access to the system, maintaining data integrity, and managing operational parameters that are critical for the seamless operation of the Admon financial environment. Furthermore, the administrator possesses the ability to create new user accounts, delete users, and activate or deactivate transactions as appropriate and also assigned roles to various users based on their designated responsibilities.

9.9 Core Compliance Principles of the Admon ERP Application

1. **Accountability:** Every financial transaction must be traceable and verifiable through documentation and Admon system trails.

2. **Authorization:** No payment, posting, or adjustment shall be made without due approval.

3. **Transparency:** All financial records must be open to audit and management review.

4. **Segregation of Duties:** Initiation, verification, and approval must be performed by different officers.

5. **Confidentiality:** Financial data and system credentials must be protected at all times.

6. **Timeliness:** Reports, reconciliations, and returns must be prepared and submitted within stipulated deadlines.

7. **Integrity:** Officers must maintain professional and ethical conduct consistent with public service standards.

9.10 Ethical Conduct and Professional Standards

1. All bursary officers must demonstrate honesty, fairness, and objectivity in financial reporting.

2. Staff must avoid conflict of interest in the discharge of their duties.

3. Financial records are public property and must be safeguarded against alteration or destruction.

4. Confidential information shall not be disclosed without due authorization.

5. Every officer must comply with the Code of Conduct for Public Officers under the Constitution of the Federal Republic of Nigeria (1999, as amended).

9.11 Conclusion

This Accounting Manual serves as the definitive guide for the financial administration of the Bursary Department.

It defines the duties, procedures, and controls governing all financial activities within the University, ensuring conformity with best practices, statutory provisions, and digital accountability frameworks.

Consequently, all staff are expected to Study and understand the contents of this manual, adhere strictly to the prescribed processes, and use the Admon ERP responsibly to ensure data accuracy and institutional accountability.