

**FINANCIAL**

**MANAGEMENT**

**MANUAL**

**WILDLIFE MANAGEMENT SERIES**



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**MANAGEMENT**

**MANUAL**

The wildlife management guideline manuals are based on field experience and original research reports. These are available from the WWF Southern Africa Regional Programme Office (SARPO) in Harare. WWF wishes to acknowledge the important contribution made by the Rural District Councils and their constituent communities in the development of the series.

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**ACTION**



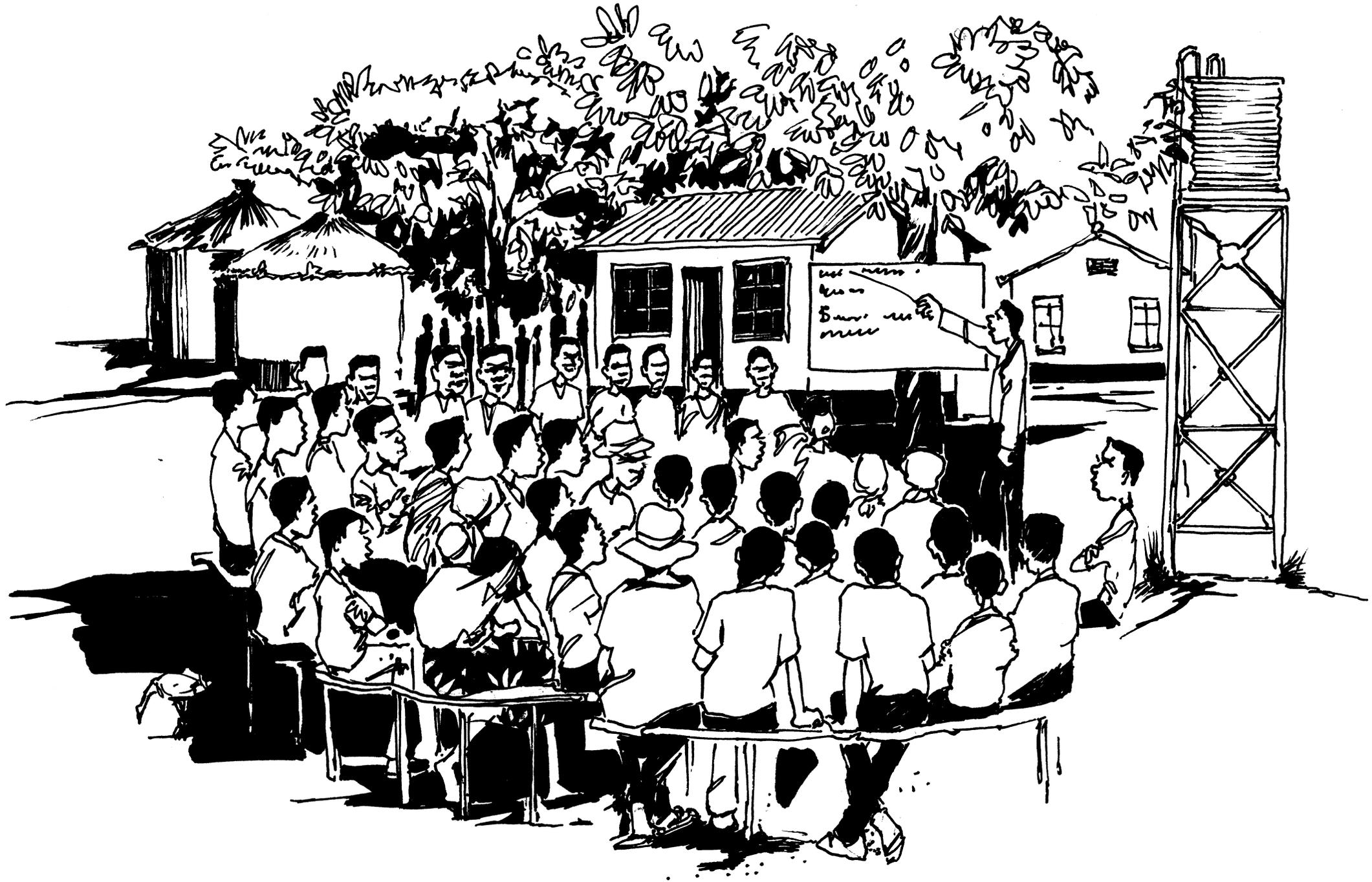
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### **Why is it important to manage community revenue?**

Under the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE), rural communities participate in the management of their wildlife and other natural resources. The money that they receive is one of the important incentives for communities to participate in wildlife management. Poor management of community revenue from wildlife would reduce the incentive to manage wildlife and other natural resources. It is, therefore, important that this wildlife revenue is well managed so that the maximum incentive for their participation is created.

The objective of this manual is to assist rural communities by providing an outline of a simple financial management system for the money earned from the sustainable use of wildlife and other natural resources.

### **What are the objectives of a financial management system?**

At the community level, the financial management system has several objectives. These include

- to provide an orderly system for managing and recording all income and expenditure of community funds,

- to provide an open and transparent financial management system that enables people in the community to have faith and trust in those persons responsible for managing the community funds,
- to provide efficient, up-to-date and accurate information which can be used to assist in identifying, planning, budgeting, implementing and managing community projects.

## Why is it difficult to manage community revenue?

It can be difficult to manage community revenue because:

- In Zimbabwe, communities which earn large annual CAMPFIRE dividends are often a long way from the nearest bank



- as the areas with CAMPFIRE are often less developed than other parts of the country, it can be difficult to find people with the skills to manage community revenue in these areas, as they may be working or located elsewhere
- there is often social and economic pressure on the treasurer and secretary of the WWC, either from other committee members or community members, to take short cuts in the management system or to divert funds to other activities or areas not planned for, especially in times of crisis.

### **Why is it important to be consistent and regular when managing community revenue?**

This manual recommends very simple financial management systems. The system depends, however on the people who are running it, and will not work unless they are:

**Consistent** - this means that they follow the system and do things in the same way every time.

**Regular** - this means that they complete their records either immediately after a transaction has taken place or on a regular and frequent basis. If this is not done, then the details of transactions will be forgotten or recorded incorrectly.

### **What is the role of the Rural District Council in financial management by communities?**

There are 16 Rural District Councils (RDCs) which regularly receive significant revenue from wildlife leases and devolve money to ward level. Different accounting and financial management systems have evolved in the different districts. The major difference between the districts is the degree of freedom or control over the money at ward level. There are three categories of control:

**District control** - The district declares a wildlife dividend or payment to the ward wildlife committee (WWC) but keeps and controls the money. WWCs submit project plans and budgets to the RDC natural resources committee. The RDC only releases money once expenditure has been approved.

**Joint district and ward control** - The district declares a ward dividend and hands over the money to the WWC. The RDC, the WWC and the local bank agree on a system where only payments authorised by the RDC are permitted.

**Ward control** - The district declares a dividend and hands over the money to the WWC. The WWC often has to submit a budget to the RDC for approval.

This manual assumes ward control of wildlife revenue. If this is not the case, then it assumes that the RDCs and wards are working towards a future where the WWCs will have control.

## How is this manual related to the CAMPFIRE Game and Toolbox?

This manual provides a framework for WWC treasurers and secretaries to develop their own financial management systems. The CAMPFIRE Game and the financial training toolbox provide a set of activities to assist trainers with their training courses in rural communities.

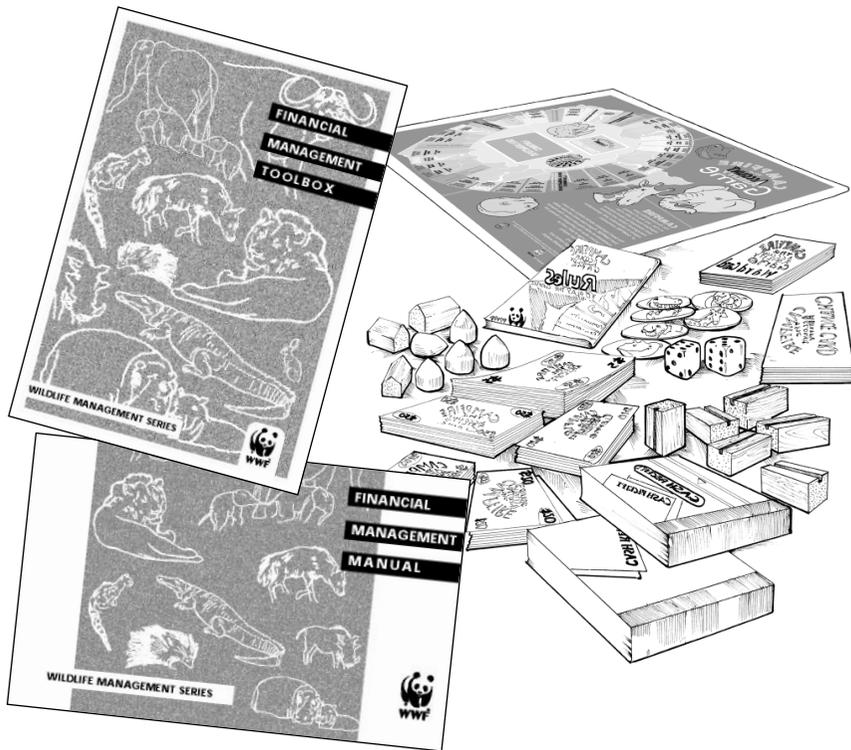
## How were the methods and systems in this manual developed?

The financial administration system recommended in this manual, have been used in districts where the Support to CAMPFIRE Project worked between 1994 and 1999. The systems are simple, reliable and easy to implement. Treasurers and secretaries of ward wildlife committees may want to modify and improve on the recommended systems as they become more skilled and experienced in their use.

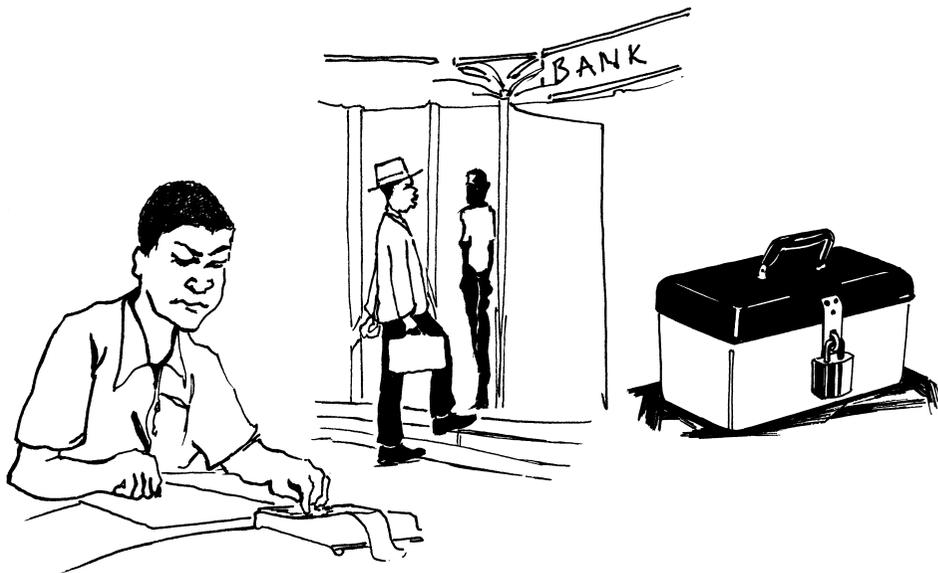
## How is this Manual organised?

In addition to the introduction, this manual has six chapters.

- Chapter One looks at the overall financial management system.
- Chapter Two looks at how to develop and use a budget for financial planning and control.
- Chapter Three looks at how to receive and account for income.
- Chapter Four looks at how to authorise, make and account for payments.
- Chapter Five looks at the relationship between the WWC and the bank.
- Chapter Six discusses financial statements, their importance and use.



## OVERVIEW OF COMMUNITY FINANCIAL MANAGEMENT SYSTEM



### Introduction

The WWC is mainly concerned with simple cash management. This involves three basic activities:

**Budgeting** - for planning and controlling money received (income) and money spent (expenditure).

**Accounting** - for accurately recording, income and expenditure.

**Banking** - for keeping cash safe, preferably in a secure bank account.

Good financial management can only be achieved if each one of these activities is operating well and is fully understood by the management committee, especially the Chairman, Secretary and Treasurer.

### Budgeting

This serves two separate functions:

1. **Planning income and expenditure** - the annual budget will show what income the WWC expects and how it is proposing to use it.
2. **Controlling income and expenditure** - during the financial year, actual income and expenditure need to be compared with the budget on a regular basis so that if;
  - **actual income exceeds estimated income**, then the budget must be adjusted so that the increased resources available do not remain idle
  - **actual income is less than estimated income**, then the budget must be adjusted so that expenditure remains within the budget by cutting costs for some projects or suspending some activities
  - **actual expenses exceed estimated expenses**, then ways of reducing costs can be found
  - **actual expenses are less than planned expenses**, then the budget needs to be re-adjusted to either increase the rate of expenditure or re-allocate the unspent money

## Accounting

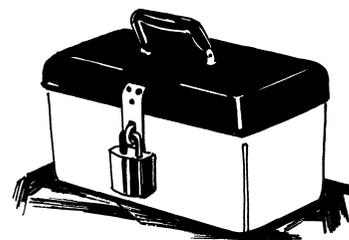
For the WWC to manage its money effectively, simple but accurate accounting is needed. This is achieved by using the following documents:

- **The cash record-book** - details of every transaction must be entered into the cash record-book by the WWC treasurer
  - **The receipt book** - every time the WWC receives money, either as cash or a cheque, the treasurer must record this in the receipt book and issue a receipt to the payee
  - **The cheque book** - the WWC uses the cheque book to make payments and to get cash from the bank account
  - **The cheque authorisation form** - the WWC uses the cheque authorisation form to ensure that all the cheques that are issued are properly authorised (see Appendix 2)
  - **The claim form** - the WWC uses the claim form to reimburse money spent by officials in the course of their duties (see Appendix 4)
  - **The payment voucher** - the WWC uses the payment voucher to support all payments made, whether by cash or cheque (see page 29)
- **The pay sheet** - the WWC uses the pay sheet to record staff wages, whether daily, weekly or monthly (see Appendix 3)
  - **The bank reconciliation statement** - the WWC uses the bank reconciliation statement to reconcile the balance from the cash record book with the balance shown in the statement from the bank (see page 40)

## Banking

The WWC must keep its money either in a secure cash-box or in a bank account.

- **The cash-box** - the WWC should keep a maximum of one month's expenditure in the cashbox.
- **The bank account** – the WWC should keep the rest of its money in a bank account because it is safe and will earn interest.



### Who is responsible for financial management?

The Treasurer is responsible for the WWC's financial management. He or she is accountable to the WWC under the authority of its chairperson. The Treasurer's functions are to:

- prepare a budget for use by the WWC and monitor the use of funds according to the approved budget
- manage the WWC's bank account and cash-on-hand
- make payments and receive income on behalf of the WWC
- complete all the necessary documents and record every transaction in the cash record-book
- regularly report to the WWC on the financial status of the ward account

### What skills should the Treasurer have?

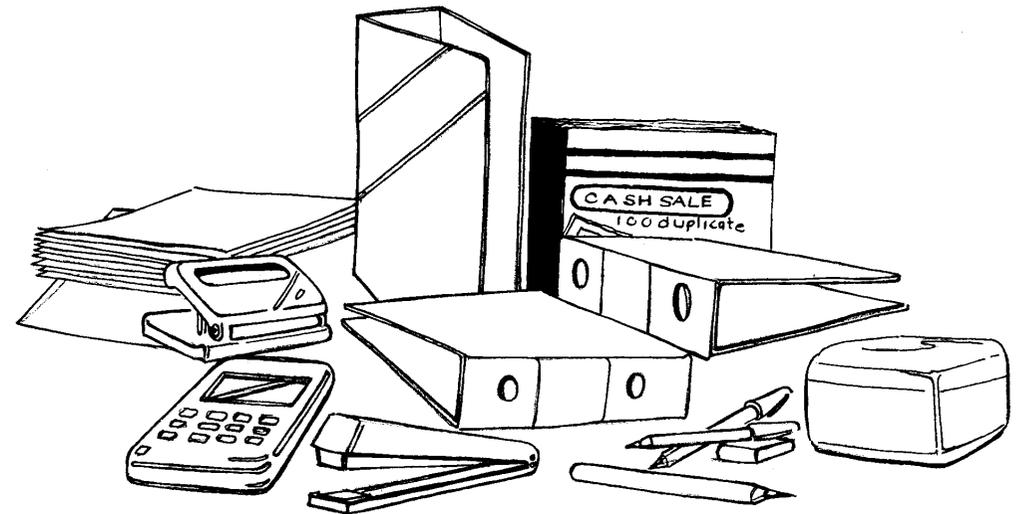
The Treasurer must have the following skills:

- be good at financial calculations
- be able to write clearly and read in English
- be able to understand the financial management procedures
- be strong-minded and completely honest
- be neat, tidy and up-to-date with the work
- be committed to the development of the ward

### What tools and equipment does the Treasurer need?

Every treasurer must have:

- a calculator to assist with the calculations
- a stapler and a hole punch to assist with filing forms and documents
- several lever arch files for filing duplicate forms, receipts, bank statements and other forms
- a cash-box which is big enough to hold the cash-on-hand and other important documents like the cheque book
- stationery such as pens, paper, pencil and erasers
- a receipt book
- Ward Wildlife Committee date stamp



## What are the responsibilities of the other members of the WWC?

Financial management is not only the responsibility of the treasurer. Other members of the WWC also bear some responsibility, for example;

- **the WWC Chairperson** - has overall responsibility for WWC including financial management. The Chairperson co-signs, with the treasurer, WWC documents, cheques and other financial documents such as contracts and purchase orders.
- **the WWC Secretary** - keeps the minutes of WWC meetings and co-signs cheques and other financial documents.
- **the WWC members** - must attend regular WWC meetings at which they approve the annual budget and periodic financial statements.

## Why is it important for the WWC to have written procedures for cash management?

Since members of the WWC change biannually, it is important for the WWC to write down exactly how it manages its finances. These procedures are recorded in a manual, which should be made available to all members of the WWC so that they fully understand how ward funds are being managed.

## Where should the financial documents and the money be kept?

The financial records, documents and the cash-box must be kept in a secure place. If the WWC has a secure office, then the financial documents and the cash-box can be kept there. Since most WWCs do not have a secure office however, these items can be kept at the treasurer's home. All documents and records must be kept where they are dry and will not be eaten by rats and/or termites.





### Introduction

A budget is a plan for expected income and expenditure. Each line of the budget should give;

- the description of the goods and services required
- the prices of goods and services
- the quantities which will either be bought or sold in a given period, and
- the activity to which the total cost will be allocated

### What is the purpose of a budget?

A budget is a tool used for planning and controlling income and expenditure.

- **How does a budget help with planning?** The budget helps the committee plan for a given time period in the future. The annual budget shows, for example, what income the WWC expects to receive and how it will spend that money in a period of one calendar year.

- **How does a budget help with control?** The budget is the WWC's plan to meet certain objectives. By following the planned budget, the WWC should fulfil its objectives, which were set at the beginning of the year. The WWC Treasurer will have to monitor income and expenditure, to help the WWC keep to its budget. The Treasurer should not approve any unbudgeted expenses. This will help the WCC to prevent unplanned expenses.

### Who is responsible for developing the budget?

The WWC is responsible for developing the budget. The Treasurer and the Secretary should lead this process. They should not prepare the budget without the WWC's participation.

### What information is needed to develop a budget?

It is useful to think about the budget in two parts. The first part deals with recurrent expenditure and the second deals with capital development. These different parts of the budget will require different types of information.

## What is Recurrent Expenditure?

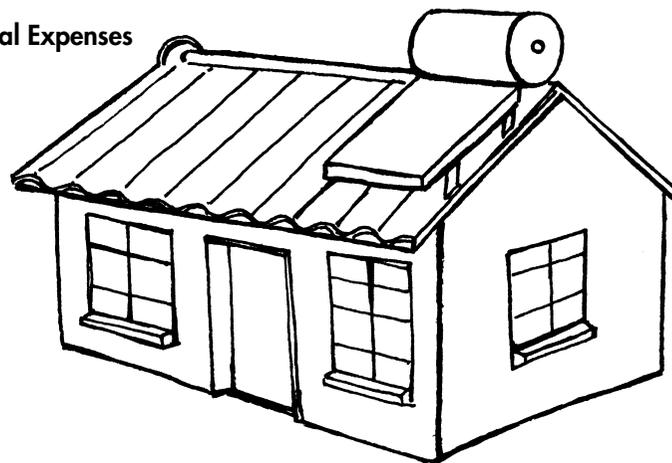
Recurrent expenditure refers to costs that occur regularly each year. Examples of recurrent expenditure at ward level are:

- **Salaries** - for people employed by the ward such as Resource Monitors, Game-guards, Problem Animal Reporters and Fence Minders.
- **Sitting allowances** - for members of the Ward Wildlife Committee.
- **Transport costs** - for members of the Ward Wildlife Committee to attend local and district meetings, training courses and travel to the nearest shops to buy materials for projects.
- **Stationery** - such as pens, paper, notebooks, receipt books, record-books, wage-books, for the management of the WWC affairs.
- **Equipment** - such as uniforms, boots, ammunition, batteries for torches, spares for electric fences, used for wildlife management.

## Recurrent Expenses



## Capital Expenses

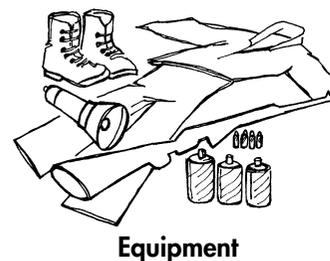


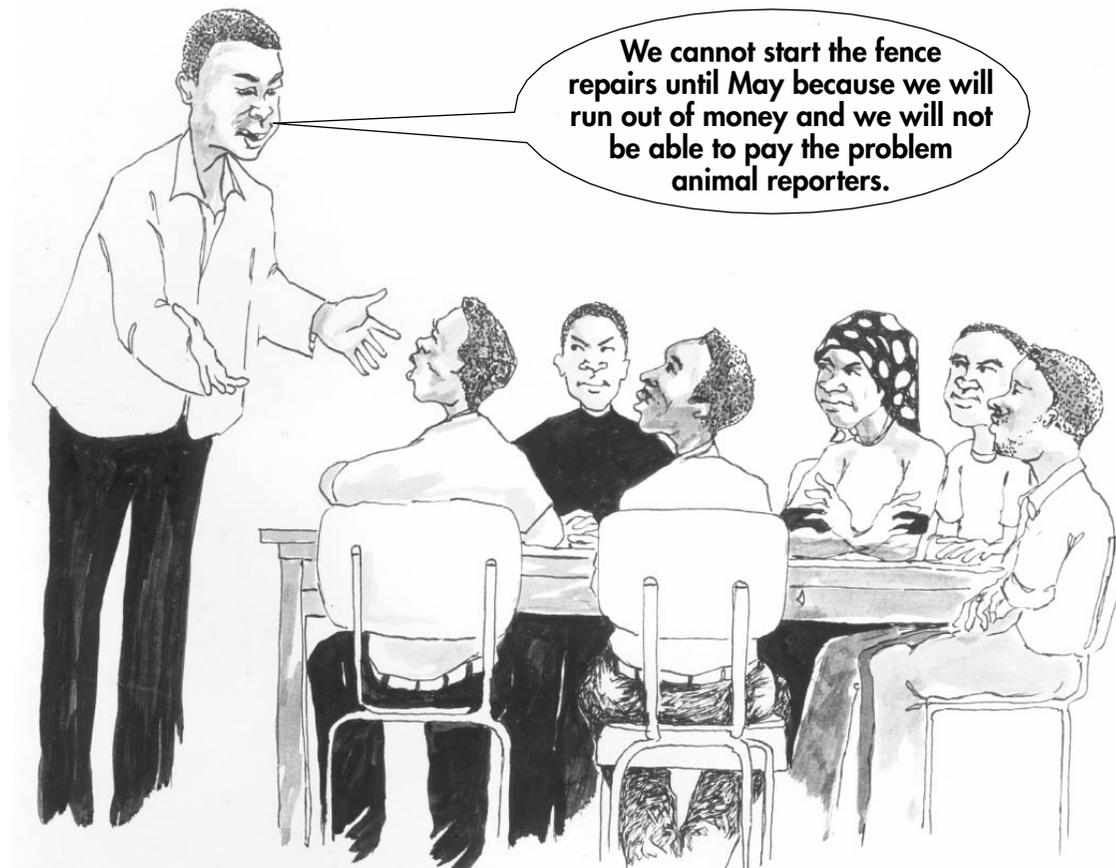
When planning for recurrent expenditure, the WWC should start with its current budget for recurrent expenses. It will give most of the information needed to develop the new budget. This means that the Ward Wildlife Committee (WWC) and the treasurer must know how much they spent on recurrent expenses in the current and previous years.

## New projects or capital development

The sources of information on the costs of new projects will depend on how a project is going to be funded and implemented.

If the WWC is going to implement a simple, small project, then it will have to get quotations for materials. If the project is going to be done by a specialised contractor, the WWC should get quotations for the whole project.



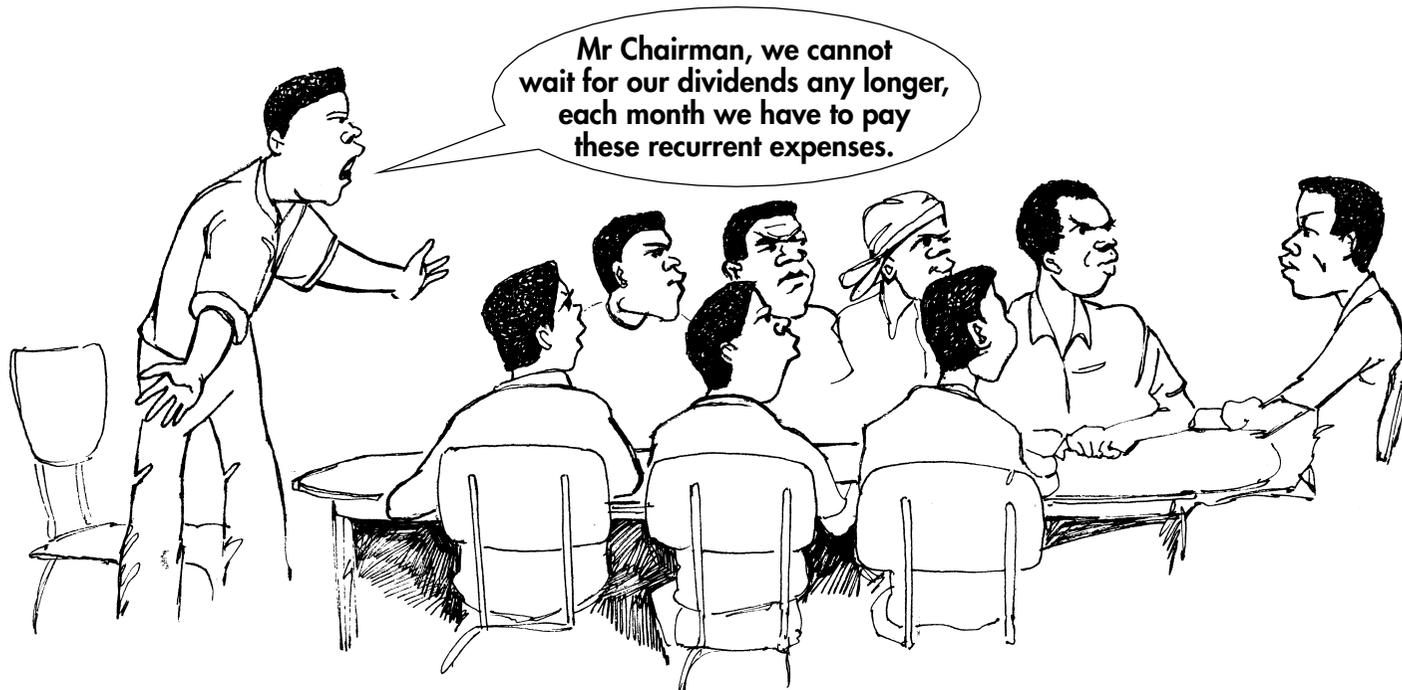


### **What period should the budget cover?**

WWCs normally receive their dividends from the Rural District Council a year in arrears. This means that the ward's share of the money from wildlife activities earned in 2001, will be paid in 2002. The Rural District Council also operates a budget from 1st January to 31st December each year. For these reasons, it is normal for the WWC to develop a budget for one calendar year, that is, January to December.

For planning and management purposes, it is useful to break down the annual budget into months. This will help the WWC plan its cash flow. Generally, WWCs do not have access to credit. The budget must therefore be planned so that they

never run out of money. Breaking down the annual budget into monthly expenditure will show the times when their financial resources are low or over-stretched. If the cash-flow analysis shows that WWCs will run out of money or that there is a time when their reserves are low, expenditure should be re-organised to stop this from happening.



The breakdown of an annual budget into monthly expenditure can also be used as a tool to encourage the RDC to pay the ward's annual dividend on time. This avoids the common problem of people working without being paid, or holding meetings without receiving sitting allowances.

### How is a budget developed?

The most important point to keep in mind when developing a budget is that it is a process. This means that the budget should get more and more accurate each time the committee works on it.

#### Step one - Estimate the income for the year

There are three sources of income which need to be included in the budget. These are:

- **The balance of revenue from the previous year.** Even if this is only a small amount, it should be included as income for the new budget.
- **The annual wildlife or CAMPFIRE dividend.** This is the ward's share of the money earned from wildlife activities in the district. Most RDCs pay this out as a single amount.
- **Income from other sources.** The ward might have an income-generating project such as a grinding mill, from which it expects to earn income during the year. Other sources of income might be from the sale of meat, or from fines for illegal activities.

The balance brought forward and the dividend might be known, but the committee will probably have to estimate other sources of income. The money from these three sources should be added together to give the total income for the year.

**Step two - Set the objectives for the year**

When the WWC has estimated its total income, then it can start setting its objectives for the year. In most WWCs, there will be more than one objective. For example, there will be recurrent expenses for on-going activities such as wildlife management, as well as the new capital development project.

**Step three - List and estimate the amounts required**

The third step is to list the categories of all the known recurrent expenses. When the list is complete, the committee must decide on the quantities they need. Current stocks of materials, for example, stationery, should be taken into account before deciding on how much more is required.

**Listing and estimating amounts of labour needed as part of the recurrent expenses in Chilalazi Ward, 2002**

Units Required: 1 person for 12 months

Unit cost: \$4 000 per month

Ref: Each budget line should have a reference number

Total Cost: The cost is 1 x 12 x 4 000

Ref	Category	Units required	Unit cost Z\$	Sub-total Z\$
1	<b>Labour</b>			
1.1	Senior Game Scout (1)	1 x 12	4 000	48 000
1.2	Game Scouts (5)	5 x 12	3 500	210 000
1.3	Problem Animal Reports (4)	4 x 5	3 000	60 000
1.4	Senior Fence Minder (1)	1 x 12	4 000	48 000
1.5	Fence Minders (4)	4 x 12	3 500	168 000
1.6	<b>Sub-total</b>			<b>\$534 000</b>
2	<b>Fence Materials</b>			
2.1	Pliers	2	5 000	10 000

Category: Each budget line should be for a specific expense or activity

Sub-total: Is the sub-total of all the lines under 'labour'

#### Step four - Cost the recurrent expenses for the year

The fourth step is to agree on unit cost per unit for each of the recurrent expenses. For payments such as wages and sitting allowances, the committee needs to consider whether increases are necessary and what kind of increases they can afford. The levels of other recurrent expenditure should be based on the committee's experience in the previous year. At this stage, it might be necessary to collect information on costs and prices so that the budget is as accurate as possible.

The committee should remember that they should aim to minimise recurrent expenses without losing the ability to manage their natural resources and projects. While working on the budget, they should ask themselves these two questions;



Ref	Category	Units Required	Unit Cost Z\$	Total Cost Z\$	Sub-total
1	Labour			\$48 000.00	
1.1	Senior Game Scout (1)	12	\$4 000.00	\$48 000.00	
1.2	Game Scouts (5)	60	\$3 500.00	\$210 000.00	
1.3	Problem Animal Reporters (4)	20	\$3 000.00	\$60 000.00	
1.4	Senior Fence Minders (1)	12	\$4 000.00	\$48 000.00	
1.5	Fence Minders (4)	48	\$3 500.00	\$168 000.00	
	<b>Sub-total</b>				<b>\$534 000.00</b>
2	<b>Fence maintenance</b>			\$10 000.00	
2.1	Pliers	2	\$5 000.00	\$10 000.00	
2.2	Wire	1	\$15 000.00	\$15 000.00	
2.3	Repairs to energiser	1	\$26 000.00	\$26 000.00	
2.4	Poles	100	\$100.00	\$10 000.00	
	<b>Sub-total</b>				<b>\$61 000.00</b>
3	<b>Natural Resources Management</b>			\$25 000.00	
3.1	Early burning programme		\$25 000.00	\$25 000.00	
3.2	Quota Setting Workshop	1	\$15 000.00	\$15 000.00	
	<b>Sub-total</b>				<b>\$40 000.00</b>
4	<b>Management Costs</b>			\$9 600.00	
4.1	Sitting Allowances	120	\$80.00	\$9 600.00	
4.2	Stationery		\$10 000.00	\$10 000.00	
4.3	Training Courses	2	\$50 000.00	\$100 000.00	
4.4	Annual General Meeting	1	\$15 000.00	\$15 000.00	
4.5	Transport	36	\$175.00	\$ 6 300.00	
	<b>Sub-total</b>				<b>\$140 900.00</b>
	<b>Total Recurrent Expenses</b>				<b>\$775 900.00</b>

**Step five - Calculate the balance left**

Once the ward's total recurrent expenses have been calculated, the committee must determine how to spend the balance (if there is no balance then the budget for recurrent expenditure will have to be re-done). The remainder of the budget will show how much money is left for projects or other types of

incentives for the community. The WWC must remember that most ordinary people will judge the performance of CAMPFIRE on what projects it implements. The benefits resulting from these projects are the incentive for people in the community to manage their wildlife and natural resources.

**Costing and calculating the total revenue needed, as part of the recurrent expenses in Chilalazi Ward, 2002**



### Step six - Budget for new projects

Once the balance after recurrent expenses is known, the committee must decide on how to allocate this money. Money can be allocated to:

- **On-going project or projects** - In some cases, wildlife committees have started projects whose costs exceed that year's budget. Completing these projects should be a priority for the committee because an unfinished project does not create any incentive for people in the community.
- **A new project or projects** - New projects should have the support and approval of the community. The process of consulting people and matching their expectations with the available budget can take time and be difficult.
- **Other uses** - The payment of household cash dividends from wildlife is a very direct method of creating incentives for people to manage wildlife and natural resources. If household payments are included in the budget, the committee must remember to include the administrative costs of managing the payments. This will include, making sure that there are accurate household lists, collecting the cash and holding the ceremony.

### What else should be considered when drawing up the budget?

The WWC needs to consider the effect of inflation and make provision for unexpected cost.

#### Dealing with inflation

For several years, the rate of inflation in Zimbabwe has been more than 50% per annum. This means that if something costs Z\$100 at the beginning of the year, it will cost Z\$150 by the end of the year. High inflation makes budgeting difficult. To address the problem of inflation, the WWC can:

- Make allowances for the increases in prices for those goods and services bought later in the year
- Try and schedule most of the capital development and make all their recurrent expenditure purchases as early in the year as possible. This way the committee will avoid price increases

#### Providing for unexpected costs

All budgets need to be able to cope with unexpected costs that occur over a year. The contingency is calculated by taking a simple percentage of the sub total of recurrent plus capital expenditure. This is then added to the sub-total to give the total expenditure for the year. For ward wildlife committees it is recommended that they use a figure of between 30% and 50% of the sub-total as contingency. This is because of the high rates of inflation and their limited access to markets and information.



### Introduction

Most WWCs receive cash once or twice a year. Income is received either from the ward's wildlife activities or from local income generating projects. Funds are received either by cheque or as cash. These funds must be properly accounted for using the receipt and the cash record books.

### How does the treasurer receive and record payments by cheque?

For security reasons, most RDCs pay annual CAMPFIRE dividends with a cheque. When a cheque is received by the treasurer, a receipt should be issued immediately. The receipt must be pre-numbered and completed in duplicate, using carbon paper. The original copy of the receipt is issued to the person paying and the carbon copy remains in the receipt book. The receipt will show the following information:

CASH RECEIPT		17
Date	21 July 2002	
Received from	Chilazi RDC	
the sum of	One hundred thousand dollars Only	
for	Hunting Lease	
Amount in figures	\$100 000.00	
Cash/Cheque		
WITH THANKS		TJ Mlilo Chilalazi Ward WWC

### Are funds received by cheque safe?

If a cheque is received from an organisation that is known to the WWC, then it should be safe. If a cheque is received from an unknown organisation or person, there are two options. These are:

- **to record the full name, address and references of drawer** - The drawer's details (name of the person or organisation), full physical address, telephone number, ID number, bank card number, limit (the amount on the cheque should not exceed the bank card limit) and expiry date should be recorded on the back of the cheque.
- **to request a bank guaranteed cheque** - If the cheque is for a significant amount of money, the WWC should request a BANK GUARANTEED CHEQUE. This is actually a cheque issued by the bank (e.g. Standard Bank or Barclays Bank) and is perfectly safe.

In all cases, the Treasurers should only accept cheques showing the correct date as payment for goods and services. Cheques with a date in the future, known as post-dated cheques, should not be accepted.

**All cheques that are received must have the following information:**

**To whom the cheque is payable**

**Date the cheque is written**

**The amount on the cheque (in words)**

**The amount on the cheque (in numbers)**

**Name of the account holder or representative**

**The account holder's postal address**

**The account holder's physical address**

**The account holder's telephone number (if possible)**

**The account holder's national identification number**

**Authorised signatures**

**Recording income in the cash record book:**

Chilalazi Ward: WWC Cash Record Book			Cash			Bank		
Date	Details	Record No.	Income	Expenses	Balance	Income	Expenses	Balance
01-01-02	Opening balance				\$8 500.00			\$4 551.00
01-01-02	Annual Campfire Dividend	Chilazi RDC Receipt 0001			\$8 500.00	\$1 200 000.00		\$1 204 551.00

Note: See Appendix 6 for a sample cash record book with full explanation

### **How are cheques recorded in the cash record-book?**

When a cheque has been received and a receipt issued, the treasurer must record it in the WWC's cash record book.

**Note: instructions on how to deposit a cheque are found in Chapter Five, "MANAGING A BANK ACCOUNT".**

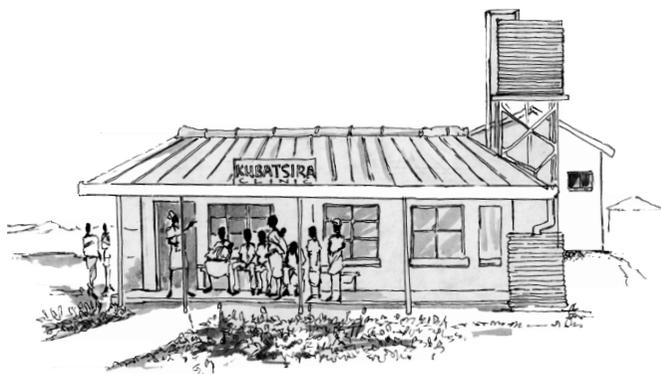
### **How to manage payments paid in cash**

A WWC Treasurer generally will not receive many payments in cash. However, if there is an income generating or other project he will need to have a good system in place in order to receive and carefully account for cash. This is critical. The management of cash requires very tight controls.

It is very advisable to open a separate set of accounts including a separate bank account, for each project.

### **Some examples of projects**

An example of an income generating project would be a grinding mill. An example of another type of project would be a clinic. In both cases, these projects will receive cash payments.



### **How does the Treasurer receive and record cash payments?**

#### **Step one – Tasking one person to receive cash**

Only one person must be responsible for receiving cash for any one project. This assists in control and accountability.

#### **Step two - Issuing a receipt**

Each time a cash payment is received, a receipt must be issued immediately. This should record exactly the same information as the receipt written for the cheque, except that the treasurer, or person receiving the cash, will delete the word "cheque" from the receipt (see illustration page 21).

#### **Step three - What happens to the cash received?**

The cash must be placed in the cash box, which must be kept in a safe place. This amount should also be entered in the cash-record book under "income".

#### **Step four - How often should the cash-on-hand be checked, and by whom?**

An independent person should frequently, but at irregular intervals, check the cash-on-hand. This person should not be directly involved in financial management. These checks will stop those involved in the cash management system from taking unauthorised loans for their own use.

### Step five - When should money be transferred to the bank?

This is a policy decision that can only be made by the project committee or WWC. For security reasons, there should be an upper limit to the amount of cash held. Surplus cash must be transferred to the bank.

### How to check that the balance of cash on hand is correct

Before money is transferred to the bank, the cash balance must be checked by the nominated independent person.

This person should:

**Step one:** Request all the receipts that have been issued since the last check

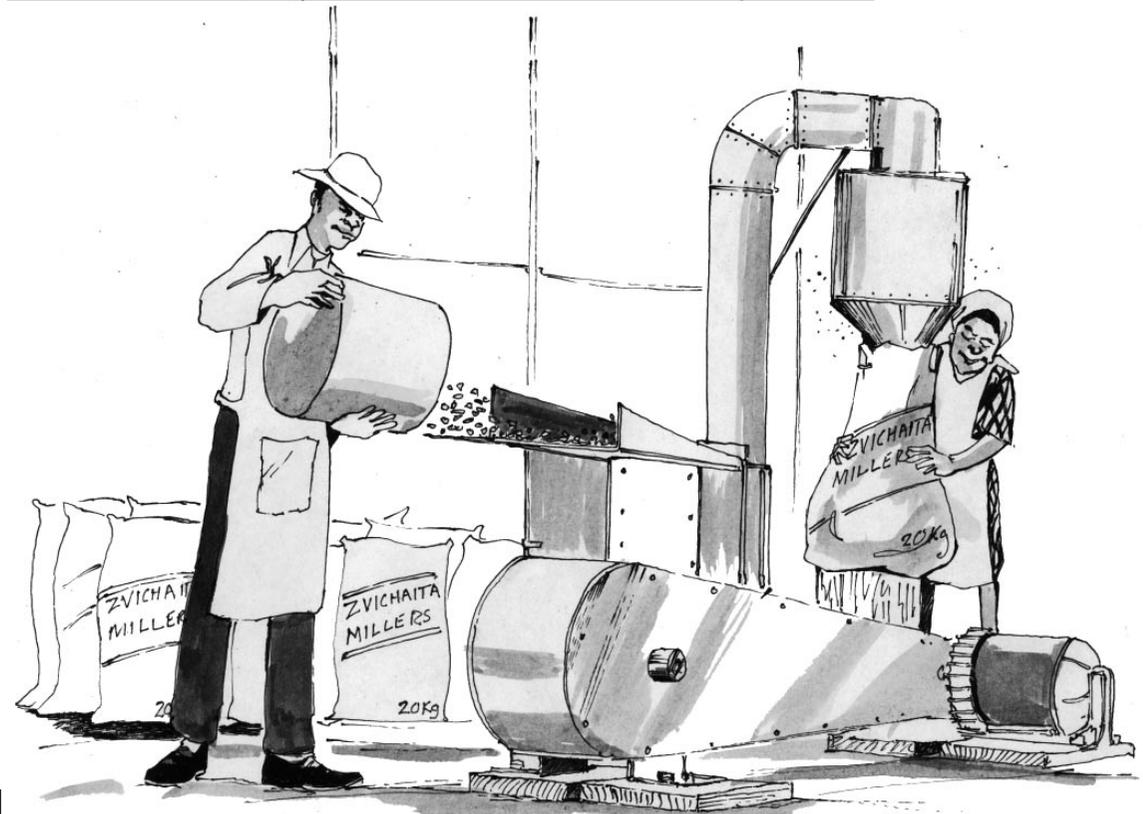
**Step two:** Add-up the total value of all the receipts issued

**Step three:** Add this figure to the cash float which is kept by the WWC or the project

**Step four:** Subtract any cash payments which have been made.

The final figure should equal the cash on hand. If there are any differences (positive or negative) the person responsible for cash should make a written report.

DATE	DETAILS	AMOUNT	TOTAL
01/07/02	Cash float	\$500.00	\$500.00
01/07/02 - 30/07/02	Receipts (0111 to 0156)	\$4000.00	\$4500.00
12/07/02	Cash payments (oil)	\$375.00	\$4125.00
30/07/02	Cash on hand	\$4125.00	





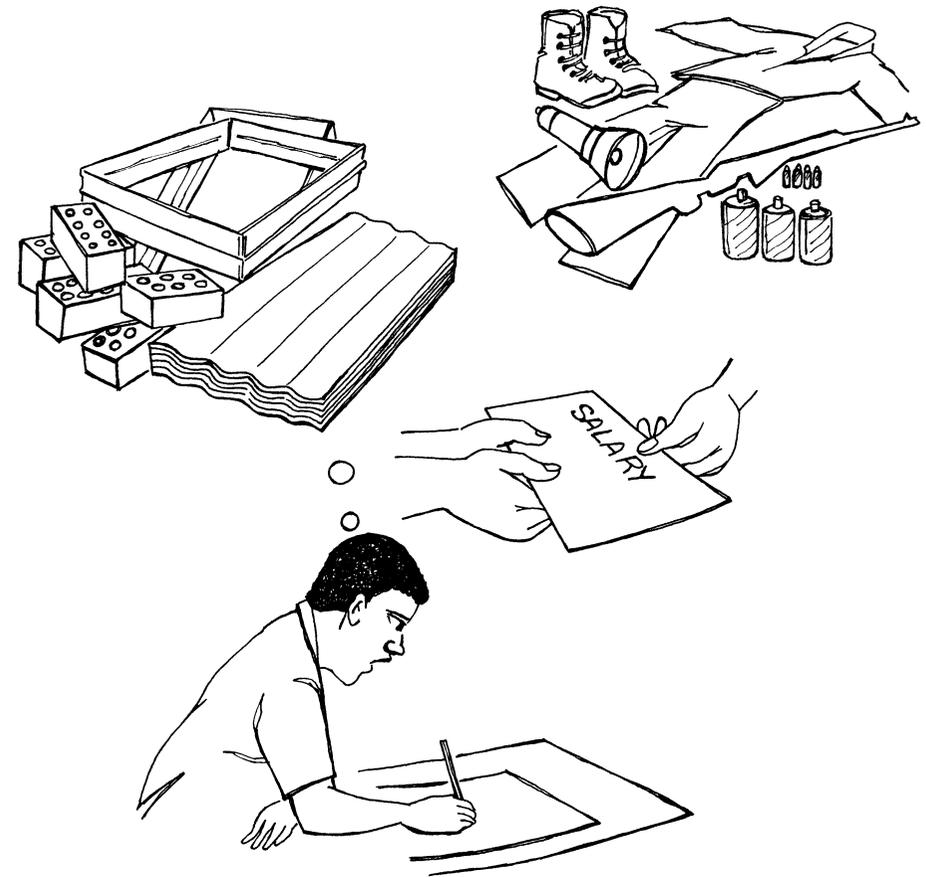
### Introduction

In most wards, making payments for goods and services bought by the WWC will be the most common task of the treasurer. It is important that the treasurer only makes payments which are budgeted for and which are fully authorised. Accurate records of the WWC's cash-on-hand and the balance in the bank account should be available at all times.

### Making payments

For each payment requested, the treasurer should ask the following questions:

- **Is the payment budgeted for?**  
The treasurer must check if there is a budget line for the expenditure and secondly how much money is available in that budget line.
- **Is this the true price?**  
The treasurer must insist on an invoice for all purchases. An invoice is proof, provided by the supplier, that the goods requested actually cost the given amount.



- **Is this the best or cheapest source?**

The treasurer needs to make sure that, for every significant purchase made, there are two or three quotations from different suppliers. The exception is when there is only one supplier of the product. The quotations will show that the source of goods is the best value.

Of course, the lowest price does not always mean that this is the best buy. Sometimes, if you pay more for better quality, you get a product that lasts much longer and so in the end this is the most economical choice.

- **What is the best way to make this payment?**

The treasurer needs to make a decision whether to pay for the goods and services by cash or to pay with a cheque.

### **What kind of payments should be made by cheque?**

Cheques should be used for payment when

- the payment is large
- the payee has a bank account
- the treasurer is not able to make the payment in person (for example the payment is to be sent by post)

The following conditions must be fulfilled before writing the cheque:

- the payment has been budgeted for
- there is still money on that budget line
- the invoice presented is the lowest of the three quotations **OR**
- the issue of best value has been addressed and agreed
- there is enough money in the bank

The following steps should be followed before the cheque is written:

#### **Step one - Authorisation of payment**

Payment must be authorised before a cheque can be written. In wards with a high degree of control over their money, the authorisation should be done jointly by the chairperson, secretary and treasurer. In other wards, the procedure might also include the signature of an RDC executive. A sample "Authorisation Form" is given in Appendix 2.

#### **Step two - Writing a cheque**

Every cheque has two parts, the "voucher" and the "counter-foil" or "stub" (See page 27). Both parts must be fully completed using the information contained on the cheque authorisation form as to the payee's name, the amount in figures and words and the date.

- The voucher - This is the cheque itself. It is completed and given to the supplier as payment.
- The stub - The stub or counterfoil is a record of payment and provides a running balance on the amount of money in the account.

### Step three - Signing a cheque

A cheque must first be signed by the treasurer who will, thereafter, present the completed cheque and stub to the other signatories for their signature, together with the cheque authorisation form.

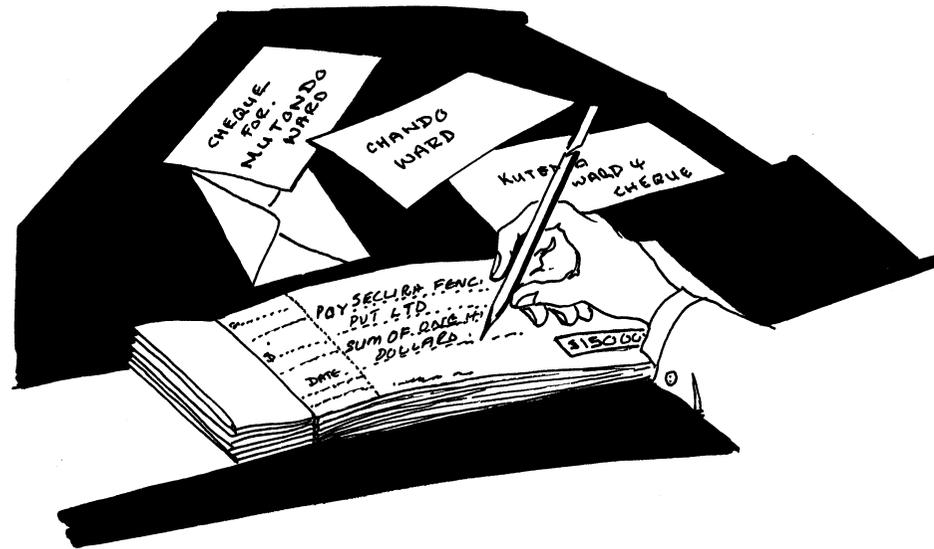
### How is a cheque cancelled?

If, for some reason, a cheque has to be cancelled, the portion of the cheque which shows the signatures must be torn out. The cancelled cheque should be stapled to the cheque book. The cancelled cheque number and date should be entered in the cash record book showing that it has been cancelled. The cheque authorisation form should also indicate that the cheque has been cancelled. Errors made on a cheque should not be corrected. The cheque must be cancelled.

The cheque below was cancelled because the amount in words differed from the amount in figures.

Stub	Voucher	
— 2 —	<p><b>Cashbank</b> Cashbank (Pvt)Limited, Jason Moyo Ave, Harare</p> <p>Date <u>25-01-2002</u></p> <p>Pay <u>M. Banda</u> or order</p> <p>the sum of <u>Two thousand and four hundred dollars only</u></p> <p style="text-align: right;">\$ <u>2 500.00</u></p> <p>Signed <u>B. Musa</u> <u>M. Chezio</u> CHILALAZI WARD WWC</p>	
TO		
OLD BALANCE		
DEPOSITS		
TOTAL		
THIS CHEQUE		
NEW BALANCE		
468-32-89		
		4 6 8 - 3 2 - 8 9
		<i>Not Negotiable</i>

A cheque is cancelled by tearing out the signatures



### What is a crossed cheque?

A crossed cheque can be deposited only in the bank account of the person or the organisation to whom the cheque is made out. A crossed cheque has two vertical lines through it. Most cheques are printed as crossed cheques. This means that they cannot be made out for cash, unless the crossing is cancelled.

### How are cheque payments recorded?

As soon as a cheque is written, the payment must be entered in the cash-record book. After the date and the details of the payment have been recorded, including the cheque number, the value of the cheque is recorded in the expense column of the bank section of the cash-record book. As soon as the receipt for the payment is available, the number should be recorded in the column labelled "Record No."

Chilalazi Ward: WWC Cash Record Book			Cash			Bank		
Date	Details	Record No.	Income	Expenses	Balance	Income	Expenses	Balance
01-01-02	Opening Balance				\$8 500.00			\$4 551.00
01-01-02	Annual Campfire Dividend	Chilazi RDC Receipt 0001			\$8 500.00	\$1 200 000.00		\$1 204 551.00
12-01-02	Repairs to energiser	P & H Fencing Receipt 0673			\$8 500.00		\$9 180.00	\$1 195 371.00

**How should the records of cheque payments be filed?**

When the receipt number has been entered into the cash-record book, the receipt should be attached to the WWC’s copy of the Cheque Authorisation Form and filed for future reference.

**Making cash payments**

Cash payments are not as simple as payments by cheque because there is more paper-work to ensure that the system is secure. Before making a cash payment, treasurers should still ask themselves the following questions:

- Is the payment budgeted for?
- Is this the real price?
- Is this the best or cheapest source?

**What kind of payments need to be made with cash?**

WWCs need to make cash payments when some of the conditions listed below exist:

- **No cheque book** - The WWC does not have an account which offers the option of a cheque book (such as a savings account).

- **No bank account** - The person or company being paid does not have a bank account into which they can deposit a cheque.
- **Small payments** - The payments are quite small, for example, for refreshments at a WWC meeting.
- **Many similar payments:** There are many relatively small payments to make, such as paying the Ward’s workers. In this case, the payments are recorded on a payment voucher, such as the sample shown here:

PAYMENT VOUCHER			
NAME	N/R NUMBER	CASH PAID OUT	SIGNATURE
<b>TOTAL</b>			
Signatories:			
1. ....			
2. ....			
3. ....			

*Name of the person being paid* (points to NAME column)

*National registration number* (points to N/R NUMBER column)

*Signature of the person paid* (points to SIGNATURE column)

*The amount of money paid* (points to CASH PAID OUT column)

The following steps should be followed before a cash payment is made:

### Step one - Authorisation of payment

It is not normally possible to authorise every cash payment. The WWC must agree on how big payments must be, before they need to be authorised. A payment voucher is used to authorise cash payments above the authorised amount.

### Step two - Proof of payment

There must be proof for every cash payment which is made. For individual purchases the receipt issued on purchase is the proof of payment. The person who receives the receipt must make sure that it has been correctly completed. This should be attached to the payment voucher.

### Step three - Paying ward workers and sitting allowances

When ward workers are being paid, a pay sheet is used as proof of payment. This is also the case when sitting allowances are being paid out. The pay sheet is proof of payment for more than one person. Each row of the pay sheet records the following information:

- the person's name
- their job title
- the amount they have been paid
- the reason for the payment
- the date of payment
- their signature



When all the payments have been made, the pay sheet should be closed. This is done by cancelling the empty rows, calculating the total amount of the pay sheet and then getting it signed by the chairman, treasurer and the secretary of the WWC. A sample pay sheet is given in **Appendix Three**.

### Making cash payments for claims

Some wards allow committee members or employees to use their own money to pay for official trips, for example, to buy materials or attend district wildlife committee meetings. The person then claims the money back from the WWC. The advantage of the system is that it reduces the administrative burden and allows some flexibility. The disadvantage is that it is often difficult to control these expenses. For all claims, there must be

- official receipts: The person making the claim must produce an official receipt for all expenses.
- limit: There must always be a limit on how much can be claimed.

A sample "expenses claim form" is given as in **Appendix Four**.

### How are cash payments recorded?

The type of cash payment made will determine how it is recorded

#### Recording the details of a cash purchase in a record book

Chilalazi Ward: WWC Cash Record Book			Cash			Bank		
Date	Details	Record No.	Income	Expenses	Balance	Income	Expenses	Balance
01-01-02	Opening Balance				\$8 500.00			\$4 551.00
01-01-02	Annual Campfire Dividend	Chilazi RDC Receipt 0001			\$8 500.00	\$1 200 000.00		\$1 204 551.00
12-01-02	Repairs to energiser	P & H Fencing Receipt 0673			\$8 500.00		\$9 180.00	\$1 195 371.00
12-01-02	Battery for voltmeter	P & H Fencing Receipt 0681		\$250.00	\$8 250.00			\$1 195 371.00

- **Recording individual payments**

If the payment to an individual is relatively large, so that a receipt is issued by that person (rather than being recorded on the pay sheet), then the payment should be recorded as an entry into the record book. After the date and the details of the payment have been recorded, the value of the cash payment is recorded in the out column of the cash section of the cashbook.

## Recording the details of a pay voucher in a record book

Chilalazi Ward: WWC Cash Record Book			Cash			Bank		
Date	Details	Record No.	Income	Expenses	Balance	Income	Expenses	Balance
01-01-02	Opening Balance				\$8 500.00			\$4 551.00
01-01-02	Annual Campfire Dividend	Chilazi RDC Receipt 0001			\$8 500.00	\$1 200 000.00		\$1 204 551.00
12-01-02	Repairs to energiser	P & H Fencing Receipt 0673			\$8 500.00		\$9 180.00	\$1 195 371.00
12-01-02	Battery for voltmeter	P & H Fencing Receipt 0681		\$250.00	\$8 250.00			\$1 195 371.00
12-01-02	Transfer to cash	Cheque 0674	\$65 000.00		\$73 250.00		\$65 000.00	\$1 130 371.00
31-01-02	Ward Workers	PV 2002-01		\$47 500.00	\$25 750.00			\$1 130 371.00

### ● Recording pay sheets

If a payment voucher is being used to pay the WWC workers, all the payments for that month must be made and recorded on the payment voucher. When the voucher is closed, the total sum paid is entered into the record-book.

### How should the records of cash payments be filed?

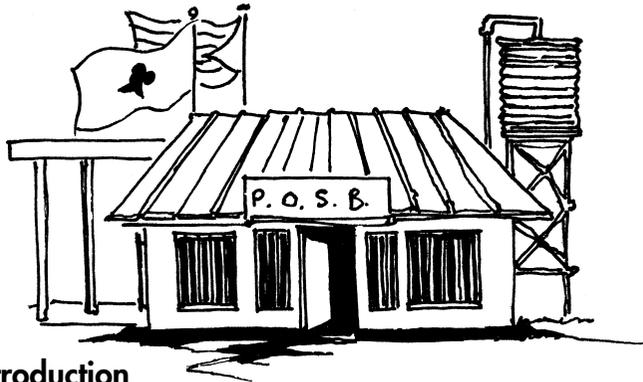
The treasurer needs to have at least three files, or one file divided into three sections. Each file or section should be clearly labelled and only contain the correct records. The three files or sections needed are:

File number one - Receipts for cash payments with the authorisation attached (if required)

File number two - Pay sheets

File number three - Claim forms





### Introduction

The size of annual CAMPFIRE dividends varies considerably between districts and between wards within districts. All WWCs should have a bank account so that:

- **The money is safe** - Even if the ward dividend is relatively small, it is not safe for the treasurer to keep this money in a cashbox at home or in the office. Money kept in a bank account is safe at all times.
- **The money earns interest** - The WWC will earn interest on the money that it keeps in a bank.

### How does the WWC choose which bank to use?

There are two factors that the WWC must consider when selecting a bank:

- **Distance** - The closer the bank is to the ward, the less the ward will spend on transport in both time and money for the treasurer and secretary as they manage the ward's money.
- **Services** - The WWC must investigate what services the bank will provide to them as customer. Some of a bank's services are linked to the type of account that is held. There are also general services that they should investigate, such as how often statements are sent and whether the manager will be sympathetic to the special needs of a rural community.

### What sort of bank account should the WWC use?

There are two main kinds of accounts, savings accounts and current accounts.

Type of account	Advantages	Disadvantages
Bank Savings Account	High interest rates	No cheque book
Bank Current Account	Cheque book	Zero or low interest rates
Building Society Account	Very low bank charges	Not present in some remote areas
POSB	Interest tax free	Notice required to withdraw larger amounts



The type of account that is chosen by the WWC will be determined by:

- **How often will the WWC be making payments?**  
If the WWC will need to make more than a few payments per month, then it is better to have a current account and a cheque book.
- **How they wish to make payments?**  
If the WWC needs to make payments by cheque, then they need a current account.
- **What rate of interest they want?**  
If the WWC wants the best rate of interest on their money, then they must have a savings account.

Some WWCs open both current and savings accounts so that they can have the advantage of the services that both offer.

### **What other organisations offer banking services?**

An alternative to a bank account is a savings account with a building society such as CABS or Intermarket, or with the Post Office Savings Bank (POSB). Building Societies will prepare cheques for the account holder above a certain minimum amount. They also offer specified types of account with a relatively high minimum balance, where the client may draw as many cheques as they wish, at no charge at all. These cheques are bank cheques and do not require a cheque guarantee card. Also, the bank charges on such accounts are much lower than charges and ledger fees levied by commercial banks. The interest earned on POSB accounts is tax free.

### **How does the WWC open a bank account?**

Once the WWC has chosen a bank and decided on the type of account, they should give the bank documents which show

- The election of the WWC
- The decision to open an account
- The names, sample signatures and positions of the persons who will sign the cheques
- The name, position and postal address of the person to whom the bank statements should be sent.

The documents can either be the minutes of meetings or letters signed by the appropriate persons.

### **Who should sign the cheques?**

The WWC must nominate who signs the cheques. The bank normally requires that at least two people sign each cheque. A good approach is to have three people, any two of whom can sign. This means that if one signatory is ill or absent, the WWC's business will not stop.

### **Should the WWC put a limit on the value of the cheques?**

Another way of improving security is to place a maximum limit on each cheque. The disadvantage of the limit is that for very large purchases, the WWC might have to issue more than one cheque.

### **What happens when the committee members change?**

If the people who sign the cheques change, then the Bank must be informed immediately. The Bank will need evidence of the change and new specimen signatures. If these changes are not made, the cheques signed by the new persons will not be valid.

### **Where should the cheque book be kept?**

The cheque book and other bank documents should always be kept in a secure place. If the WWC has a cash-box, the cheque book should be kept in the locked cashbox. If a cheque book is lost, stolen or damaged, this should be reported to the bank immediately.

### **How is money deposited in a bank account?**

The treasurer should be responsible for depositing money in the bank account. Cash and cheques are both deposited in the bank account using the same form called a "paying in slip."

All the cheques which the WWC receives, must be paid into the WWC bank account.

## How is cash withdrawn from the bank account?

There are two steps to withdrawing cash from a bank account. These are:

### Step one - Authorisation of withdrawal

The WWC uses its cheque book to withdraw cash from the account. The first step is therefore to complete the "cheque authorisation form." The authorisation should show approximately how the cash is going to be used.

### Step two - Writing a cheque

The second stage is to fill in the cheque. To write a cheque for cash the following points are important:

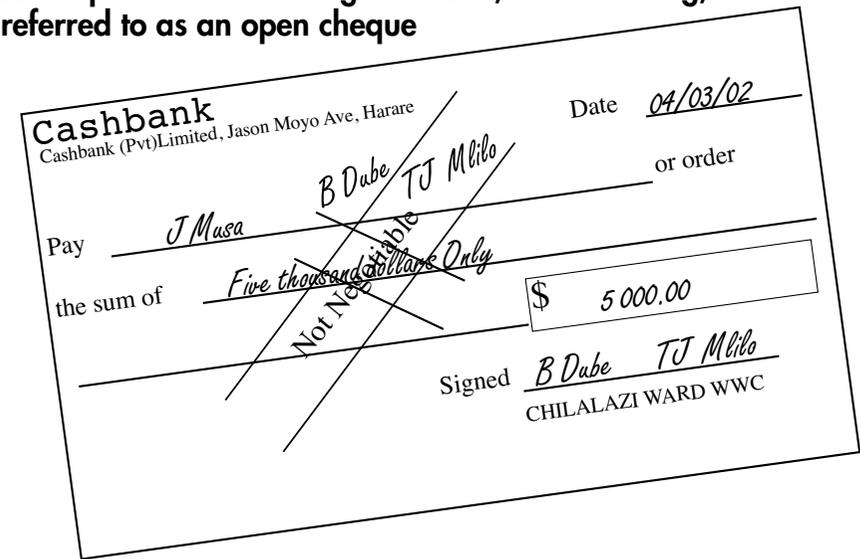
- the cheque should be written to the name of the person who is collecting the cash (who should usually be the treasurer)
- a crossed cheque must be "opened" by cancelling the crossing (see page 37)
- the cheque should also be signed by at least two or three of the signatories
- some banks also need a letter from the account holder (the WWC) if the cheque exceeds a given amount which the bank will specify, and which varies from bank to bank
- great care must be taken with a cheque of this kind, as uncrossed cheques are a greater security risk

### Step three - Presenting the cheque

The cheque should be presented at the WWC's bank and the cash received.



A cheque with its crossing cancelled, for encashing, is referred to as an open cheque



### How is a cash withdrawal recorded in the cash-record book?

In the cash-record book, a cash withdrawal is shown as a transfer from the bank section to the cash section. Normally the transfer is recorded on one line.

Chilalazi Ward: WWC Cash Record Book			Cash			Bank		
Date	Details	Record No.	Income	Expenses	Balance	Income	Expenses	Balance
01-01-02	Opening Balance				\$8 500.00			\$4 551.00
01-01-02	Annual Campfire Dividend	Chilazi RDC Receipt 0001			\$8 500.00	\$1 200 000.00		\$1 204 551.00
12-01-02	Repairs to energiser	P & H Fencing Receipt 0673			\$8 500.00		\$9 180.00	\$1 195 371.00
12-01-02	Battery for voltmeter	P & H Fencing Receipt 0681	\$65 000.00		\$8 250.00			\$1 195 371.00
12-01-02	Transfer to cash	Cheque 0674			\$73 250.00		\$65 000.00	\$1 130 371.00
31-01-02	Ward Workers	PV 2002-01			\$25 750.00			\$1 130 371.00

## What is a bank statement?

A bank statement is a simple record of all the transactions for the account.

## What information is shown on a bank statement?

The main information shown on the statement is:

- The cash and cheques which have been deposited (income)
- Interest which has been paid to the account (income)
- The cheques which have been written against the account (expenses)
- Bank charges which have been paid (expenses)
- The balance after each transaction

Name and address of bank

Name and address of holder

Details of transaction

Date

Withdrawals from the account

Account details

Balance on the account

Total deposits

**Cashbank**  
Cashbank (Pvt) Limited, Jason Moyo Ave, Harare

Statement of Account

TEL. NO. : 706121  
STATEMENT DATE: 30 NOV 1999  
STATEMENT NO. : 11  
PAGE : 1

ACCOUNT NO. : 01400-064803-00  
ACCOUNT DESCRIPTION :  
CALL DEPOSIT OTHER :  
CURRENCY : ZIMBABWE DOLLAR

DATE	PARTICULARS	WITHDRAWAL	DEPOSIT	TIN DATE	
01 NOV	BALANCE BROUGHT FORWARD	100.00		1999	147,238.41
05 NOV	FUNDS TRANSFERRED			05 NOV	147,138.41
	TRF		500.00	17 NOV	147,638.41
17 NOV	D950 CREDIT 000001		240,092.75	22 NOV	387,731.16
22 NOV	1247 CREDIT 000001		4,994.68	30 NOV	392,725.84
30 NOV	INTEREST TO DATE				
		Total Debits 100.00	Total Credits 245,587.43		END OF STATEMENT

Although unenclosed items received for the credit of the account may be reflected in your balance, the Bank reserves the right to refuse payment of cheques/withdrawals against such unenclosed items and also the right to debit the account with unenclosed items subsequently not paid. These deposits and their payments are governed by the law in effect from time to time in Zimbabwe and are payable only at the branch of Cash Bank Zimbabwe Limited in Zimbabwe where the deposits were made. Cash Bank Zimbabwe Limited has a discretion to allow withdrawals at other branches in Zimbabwe.



### **What is the purpose of a bank statement?**

A bank statement allows the treasurer to

- check the balance of the account
- ensure that cheques which have been issued have been cashed by the person to whom they have been paid
- ensure that cheques which have been deposited have been honoured

### **How often does the bank send out its statements?**

Most banks send a statement only at the end of every month. So, at the end of the year, the WWC treasurer should have twelve bank statements.

### **What should the treasurer do with the bank statement?**

#### **Step one - Cross-checking**

The Treasurer must cross-check all deposits and withdrawals shown in the bank statement, against the record-book. To do this, the treasurer compares the deposits and withdrawals on the bank statement with those recorded in the cash record book and the cheque-book.

#### **Step two - Entering service charges and interest**

The Treasurer should look for and enter in the WWC cash record-book any

- interest which the bank has paid into their account
- bank charges which have been subtracted from their account (for example, the cost of a new cheque book)

#### **Step three - Reconciliation of cash-record book and bank statement**

When the treasurer has checked the bank statement against the cash-record book and has updated the record-book with any interest payment or service charges, he must reconcile it and the bank statement.

This is done by

- taking the balance on the bank statement and adding the deposits shown on the record-book but not yet shown on the bank statement, to come up with a sub-total.
- subtracting cheques (including cash cheques) which have been recorded in the record-book but not yet shown in the bank statement from the sub-total.

After this exercise has been completed, the balance reached in the reconciliation should equal the balance in the record book (see next page).

Chilalazi Ward Wildlife Committee Bank Reconciliation		
	\$	C
Balance on Bank Statement (No:.....)		
Add: deposit shown on WWC record book but not on bank statement		
1.		
2.		
3.		
Sub-total		
Less: cheques drawn on account but not shown on the bank statement		
1.		
2.		
3.		
Total		
Balance shown in record-book		

A sample bank reconciliation form



### Introduction

Financial statements and audit reports communicate to a range of internal and external stakeholders:

- the financial status of the ward
- the transparency and accountability of the ward.

- Calculate the total income and expenditure against each budget line
- Calculate the difference between the budgeted amount and the actual income or expenditure for each budget line
- Summarise the results

### What are Financial Statements?

Financial statements are reports, which give an accurate picture, at regular intervals (monthly, quarterly, six-monthly, annually), of the money received by the WWC and how it has been spent. The report also shows a comparison of actual income and expenditure against budgeted income and expenditure.

### How are the Financial Statements drawn up?

The mechanism of drawing up a financial statement will depend on how the WWC is keeping their financial records.

#### 1. Simple cash-record book

If the WWC is using a simple cash-record book, then the treasurer will have to extract and analyse the information. To do this the treasurer will need to:

- Go through the cash-record book and allocate each transaction to a budget line



## 2. Cash record book with analysis section

If the WWC is using a cash-record book with an analysis section, then the totals from the analysis section can be transferred directly to the financial statement.

The structure or layout of the financial statement will be determined by the structure of the budget. The treasurer and the WWC will need to decide how much detail is required. Normally it is only necessary for the financial statement to show the progress against the sub-totals shown in the budget.

The difference between the budget figures and actual figures shows how well the funds were managed.

### Who is responsible for the preparation of Financial Statements?

The treasurer is responsible for drawing up financial statements and for their submission to the WWC Chairperson and members. The statements should be presented within 15 days following the closing date of the relevant period. For example, if the closing period date is 30 March, the statement should be ready by 15 April.

### A sample financial statement

Source of Funds	Budget (a)	Actual (b)	Difference (a-b)
Funds from RDC			
Other			
Total			
Use of Funds			
Salaries			
Travel			
Office Expenses			
Etc ...			
Total			
Surplus/(Deficit)			

**Note:** if the figures in the Actual (b) column are higher than the figures in the Budget (a) column, then these should be shown in brackets: (...). Equally if the figure of "Total" of Use of Funds is higher than the "Total" of Source of Funds, the bottom line "Surplus/(Deficit)" of column (b) should be shown in brackets: (...)

### **Who is responsible for the review and approval of Financial Statements?**

This is an important part of the duties of the WWC Chairperson, secretary and members. They will confirm that the statement is correct by signing it under the mention: "Read and Approved". If the statement is:

- **Approved** – then the WWC should ensure that as many people in the ward know and understand the figures as possible. One way of doing this is to re-write the statement in the form of a poster and display it in places where people regularly meet, such as at the local shops, community hall or school
- **Rejected**– then the treasurer must go back to the cash-record book and check the figures and be prepared to explain serious differences between the budgeted figures and actual expenditure. If these persist, then a meeting of the WWC must be called and the differences explained and recorded in the minutes.

### **What is an Audit?**

An audit is an assessment of the truth and accuracy of the financial affairs of the WWC. The auditor will inspect the cash record book, the bank statement and all the supporting documents. The auditor will also assess the security of the financial management system.

### **How often should an audit be carried out?**

In ideal circumstances an audit should be carried out annually. This is very difficult for the RDCs to achieve, so it is recommended that each ward should be audited every two years. If there are known to be problems, then audits can be carried out more regularly. The Audit should be carried out not later than **one month** after the end of the Financial Year.

### **How to recruit an Auditor?**

An auditor must be someone who is

- experienced in accounting
- has a reputation for integrity and honesty in dealing with funds

RDCs and WWCs might have problems finding people who can be auditors. If this is the case, they should consult with NGOs active in the area to see whether they can provide the necessary assistance.

## How to prepare for the audit?

In preparation for an audit the treasurer must

- ensure that all entries in the cash-record book have been made
- that the sub-totals are correct
- the reconciliation with the bank statement has been done
- all the vouchers are properly filed and readily available

The financial statement for the full financial year must be ready for circulation to stakeholders after the WWC has reviewed and signed "**Read and Approved**", before the 15th of the next month after the close of the financial year.

## How is an Audit carried out?

The Auditor will

- inspect the cash-record book
- cross-check the entries with the supporting vouchers and documents
- compare the cash-record book and the entries in the bank account
- examine financial statements made by the WWC
- examine the entire financial system for weaknesses

The auditor will also need to discuss the financial system with the treasurer and secretary. The auditor should be considered as someone who can help and assist the WWC rather than an outsider looking for problems.

## When is an Audit complete?

When an audit is complete, the auditor will sign a certificate and attach it to the Annual Financial Statements. The certificate and the Financial Statements should be presented to the full WWC for consideration. The certificate will

- analyse the effectiveness of the financial management system used by the WWC
- make recommendations as to how the system might be improved.

## Conclusion

Financial Management is hard work. It has to be done accurately and record keeping cannot be allowed to fall behind, or it will achieve nothing. It must be done with honesty and transparency, for the benefit of all. It is a tough task and requires a lot of self discipline. However, it can be very rewarding for the community to know that good financial management has helped them to meet their own goal.

## APPENDIX 1

### GLOSSARY OF WORDS AND TERMS USED

<b>Word / Phrase</b>	<b>Meaning / Example</b>
Accounting	The systematic accurate recording of income and expenditure. A number of important documents are used to keep records of all transactions
Audit	An independent assessment of the truth and accuracy of the financial records and security of the financial management system, of an organisation
Bank Guaranteed Cheque	A cheque issued and guaranteed by a bank.
Bank Reconciliation Form	A form used to check and record any difference between the cash record book and the bank statement to ensure they balance up after reconciliation
Bank Service Charges & Ledger Fees	Charges levied by the bank which appear on your bank statement, and are deducted from your balance in return for their services
Bank Statement	Record of all transactions relating to a bank account, sent to the account holder at regular intervals, usually monthly
Budget	A written, agreed plan for a fixed future period on how much money is expected to come in and how it will be spent. This assists in financial control.
Capital Expenditure	Large expenses for long lasting projects such as buildings and machinery
Cash record book	A book in which all financial transactions are recorded by the WWC treasurer

## GLOSSARY OF WORDS AND TERMS USED

<b>Word / Phrase</b>	<b>Meaning / Example</b>
Cheque Authorisation Form	A document used by WWC Authorities to approve cheque payments from the WWC Bank Account
Cheque Counterfoil - or Stub	The part that remains in the cheque book with a record of whom was paid and how much
Cheque Voucher	The actual cheque which is torn on the perforation and handed to the payee /supplier
Claim Form	A form completed by officials to claim money back which they had to spend doing their duties
Contingency	A percentage added to the sub-total budget for recurrent and capital expenditure to cater for unexpected costs.
Crossed Cheque	Cheques has two usually pre-printed parallel lines through it and means it can only be deposited in the account of the person to whom it is made out
Current Account	An account to which you have ready access to the money, and usually get a cheque book, but receive little interest
Dividend	A person or organisation's share of income which they helped to generate. Example: The annual wildlife or CAMPFIRE dividend is the ward's share of money earned from wildlife activities in the district.
Financial Statement	A report at regular specified intervals, on money received, how it has been spent, and showing a comparison between actual and budgeted income and expenditure
Incentive	Something real and meaningful to encourage people to get involved. The money people receive through CAMPFIRE is an incentive for them to take part in managing natural resources
Inflation	Rising prices. Inflation of 50% per annum means that an item costing \$100 in January will by December cost \$150

## GLOSSARY OF WORDS AND TERMS USED

<b>Word / Phrase</b>	<b>Meaning / Example</b>
Interest	It is money earned by your (WWC) account in the bank
Pay sheet	A record of all staff wages
Payee	Person receiving the payment
Paying-in Slip or Deposit Slip	A form recording details of cash and cheques paid into the bank when making a deposit
Payment Voucher	This document records all cash and cheque payments made by the WWC
Quotation	Written statement of a price for an item or items by their supplier
Receipt Book	A record book in which every receipt of cash or cheque is recorded in duplicate using carbon paper, and a copy given to the person paying
Recurrent Expenditure	Costs that occur regularly every year. Examples are salaries, transport costs, stationery, equipment
Revenue	Money coming in for example, revenue from money paid for wildlife leases
Uncrossed Cheque	The crossing is cancelled and signed by the cheque signatories. To draw cash, the cheque must be uncrossed

**APPENDIX 2**

**SAMPLE CHEQUE AUTHORISATION FORM**

**CHEQUE AUTHORISATION FORM**

We:

1. Name..... 2. Position.....

1. Name..... 2. Position.....

1. Name..... 2. Position.....

**Authorise the payment of the following cheque**

number.....

amount.....

paid to.....

Invoice number.....

For.....

.....

.....

**Signatures** 1.....

2.....

3.....

Approved / Not approved by **CAMPFIRE** Department

**Signature** .....

Note: The shaded area shows an addition to the form which can be made if additional RDC authority is required.



**APPENDIX 4**

**A SAMPLE CLAIM FORM FOR USE BY WWC MEMBERS AND WORKERS**

<b>Name of claimant (1)</b> .....		<b>Position (2)</b> .....	
Job done or place visited (3)	Date (4)	Rate (5)	Purpose of visit (6)
Signature of claimant (7) .....	Days (8)	Total requested (9)	
Date of claim (10)		Date stamp (11)	
Secretary's signature (12)		Approved claim (13) \$.....	
Treasurer's signature (14)		Chairman's approval (15) .....	

**Notes:**

- 1 - The name of the person claiming
- 2 - Position
- 3 - Job done or place visited
- 4 - Date when the job was done
- 5 - Rate of payment per day
- 6 - Purpose of visit
- 7 - Signature of claimant
- 8 - Days
- 9 - Total amount being claimed
- 10 - Date when claim was made
- 11 - Date stamp
- 12 - Secretary's approval
- 13 - Amount approved
- 14 - Treasurer's approval
- 15 - Chairman's approval

**APPENDIX 5**

**A SAMPLE PAYING IN SLIP**

*The name of the account*

*The branch of the bank*

*If cash is being paid in, the values for each denomination must be specified separately*

*Date the money is deposited in the bank*

*The total amount of cash*

*Name of the town or city appearing on the cheque*

*The amount of each cheque is written separately*

*Signature of the person depositing the money in the bank (usually the treasurer or secretary)*

*The account number of the community*

*The name of the person or company paying the cheque to the community*

*The total being deposited paid i.e., cash plus cheques*

<b>Cashbank</b>		\$20	
CREDIT		\$10	
Account		\$5	
AT		\$2	
Branch		\$1	
DEPOSIT PAID IN BY		Coins	
(Signature)		Postal Orders	
2		TOTAL CASH	
FOR OFFICIAL USE ONLY		DRAWER'S NAME	TOWN
COMMISSION	BANK STAMP (TELLER)	1.	
		2.	
		3.	
		4.	
		5.	
BRANCH	ACCOUNT NUMBER	TRANSACTION CODE	NOTE: CHEQUES, etc; for collection to be available as cash when paid.
			TOTAL CREDIT \$

**APPENDIX 6**

**A SAMPLE CASH RECORD BOOK**

*Date of transaction*

*Description of transaction (to whom, from whom, for what, why etc.)*

*Record of all cash transactions*

*Record of all bank account transactions*

			Cash			Bank		
Date	Details	Record No.	Income	Expenses	Balance	Income	Expenses	Balance

*Balance on bank account*

*Payments from bank account*

*Reference number of document (e.g. receipt, payment voucher, cheque)*

*Payment to cash on hand*

*Payment from cash on hand*

*Balance of cash held*

*Payments to bank account*

This booklet is the tenth in a series of guides on wildlife management and examines the principles of financial management. The WWF Wildlife Management Series provides information and guidance to members of villages, wards and Rural District Councils involved in the wildlife management and CAMPFIRE. The Wildlife Management Series (WMS) is linked to training programmes being undertaken by members of the CAMPFIRE Collaborative Group.

Booklets in the Wildlife Management Series include:

1. Problem Animal Reporting
2. Electric Fencing Projects
3. Marketing Wildlife Leases
4. Managing Safari Hunting
5. Quota Setting Manual  
District Quota Setting Toolbox
6. Maintaining Electric Fences
7. Counting Wildlife Manual
8. Fire Management Manual
9. Project Planning Manual
10. Financial Management Manual  
Financial Management Toolbox

WWF is a member of the CAMPFIRE Collaborative Group supporting CAMPFIRE in Zimbabwe and has provided support and training to communities for the establishment of wildlife management systems.



**WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature by:**

- conserving the world's biological diversity
- ensuring that the use of renewable natural resources is sustainable
- promoting the reduction of pollution and wasteful consumption

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