

Policy Area	Finance		
Title of Policy	POLICY ON CASH ADVANCE, RETIREMENTS AND EXPENSES		
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Policy Owners	All Staff of BEDC		
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Approve By	<i>Role</i>	<i>Name</i>	<i>Signature/Date</i>
	MD/CEO	Dr. Henry Ajagbawa	
	Board of Directors		

Introduction:

BEDC operating through several zones across its four franchise states has deployed the use of imprest system to meet minor expenditures at the zones while petty cash expenses at the Headquarters are attended to through cash advance.

In a bid to address the control weaknesses noted in the administration of the imprest, cash advances and retirements, Management has approved the procedures outlined in this policy to close noted gaps.

Scope:

The scope of this policy covers all cash advances, retirement of such advances and expense claims by staff.

Policy Objectives:

The objectives of this policy are to:

- Ensure advances and expense claims are approved for only business -related purposes.
- Ensure expenses incurred are matched to the advances collected.
- Ensure retirements are done on a timely basis.

Responsibility:

The Chief Financial Officer (CFO) is responsible for the implementation of this policy.

Policy Statement:

1. Cash Advance is an amount of money given by the Company to a staff in order to attend to business related expenses on behalf of the company. This sum is recorded against the staff member's name and is expected to be retired (accounted for through submission of receipts for the intended expenditure) within the pre-determined time frame.
2. Cash advances to staff or departments from petty cash funds shall be granted for allowable petty cash expenses only as listed under the schedule of allowable petty cash expenses. To this end, all such allowable expenditures to be incurred by staff members on behalf of the company must be processed as cash advance and in strict adherence to this policy.
3. All cash advances must be retired not later than 24 hours after return from trip or 24 hours after expense is made.
4. No new advance shall be granted to an employee if such employee has an outstanding advance that has not been fully retired. However, in the case of urgent business needs and based on due justification, the Regional Head or Head of Department may recommend for additional advances to be granted to staff with existing unretired advance. This is strictly subject to Executive Management's exceptional approval.
5. Any cash advance above one hundred thousand naira (N100000.00) for the purchase of items/ services shall gain the initial approval of Head Services indicating that the terms listed in the cash advance support document are not readily available in the store and cannot be procured within the specified timeframe.

6. All expense documents must be reviewed by HQ Internal Control Officer for WREN (Wholly, Reasonably, Exclusively and Necessarily incurred expense for the Business) before they are spent.

At the Regional level, all expenses from the Regional imprest account or debit card must be reviewed by the Regional Internal Control Officer for WREN before it is expended.

However, in cases of work exigencies, expenses can be made but due justification from the Head of Department (HOD) or Regional Head (RH) with the approval of Executive Management must be attached to Statement of Expense for claims alongside other support documents such as receipts and expense break down.

7. All advances raised must be submitted for processing to the Treasury Unit of Finance Department. Advances and claims shall be paid through bank transfers to staff accounts (local).

8. Debit cards may be given to departments that have high volume of transactions to manage petty cash needs. The debit card shall be funded according to the requirement and size of each department which shall be approved by Executive Management.

9. Where debit cards are given to departments for petty cash, advances to staff from the card must be by direct transfer to staff account. Timing for retirement by individual staff shall not exceed 24 hrs from date of task completion for which cash advance was granted.

10. The debit card shall be managed by a staff appointed in the department by the HOD which should be communicated in writing to the CFO. The appointed staff shall also be responsible for retiring the expenses made from the debit card.

11. In the use of debit cards for departmental petty cash expense, a record of funds utilization accompanied with retirements and receipts duly vetted by Internal Audit/ Control Officer shall be submitted to Treasury Unit before petty cash can be reimbursed.

12. The Heads of Department are to approve the cash advances and expenses from the debit card in accordance with the list of approved allowable petty cash expenses items in the policy.

13. Departments are to retire the expenses from the debit card by the 23rd of each month to Treasury Unit.

14. No departmental debit card shall be funded expect all expenses are retired to Treasury Unit by the 23rd of the month. In case of exigencies, '4' shall apply.

15. Salaries of staff with advances not retired within the period mentioned above shall be withheld until retirement/exceptional approval documents are submitted to Treasury Unit.

16. All expense claims shall no longer be payable where documents are submitted to the Treasury Unit after 24 hours of incurring the expense. Exceptions to this rule shall only be allowed if accompanied by a late entry justification and by authorization granted by the HOD (for HQ) or Regional Head (for regions) with the approval of Executive Management.

17. All advances collected must be retired using the Statement of Expense claim form. All retirements and expense claims must be approved by the Line Manager and vetted by Internal Audit/Control Officers.

18. Physical documents supporting the advance retirements and expense claims (original invoices/ receipts etc) must be approved by the Line Manager. The approval indicates that the Line Manager has examined the expense report in detail, verified the appropriateness of expenditure in accordance with BEDC policy, confirmed accurate completion of the form, and certified the sum being claimed (if any) as the true amount incurred on the transaction.

19. Internal Audit/Control Officers shall validate all cash advance requests before Treasury Unit make payment, except for card related expenses. For debit cards, Internal Audit/ Control Officers shall validate card related expenses vis-à-vis the bank account statement before petty cash will be reimbursed.

20. Where debit cards are given to Departments for petty cash expenses, the administrator shall collate all retirements and treat as one retirement document accompanied with the account statement. Timeline for submission of retirement is 23rd of the month.

21. All retirements shall also be vetted by Internal Audit/Control Officers for completeness, validity and accuracy.

22. Refund of unutilized balance on advances taken by staff shall be through credit to the debit card for any advance from the card while refunds of utilized balance transferred from BEDC Expense Account to staff account shall be paid to BEDC Expense Account with evidence of payment / refund. The refund must be confirmed by the Treasury Unit.

23. All retirements and claims must be passed through the sub ledger of the staff.

24. The approval of cash requests, cash advance, retirement and expense claims shall only be made by Executive Management.

25. HOD or Administrator of each debit card is to forward a schedule of all staff with unretired advances within the month to the Treasury Unit. Any department that does not ensure the retirement of all due advances shall have their debit limit reduced by the amount of outstanding in addition to penalties to staff involved in line with the provisions of the sanction grid.

26. On the 25th of each month, the CFO shall advise the Human Capital Management with the schedule of staff with due unretired advances for salary suspension in the next payment cycle and implementation of the sanction grid.

Allowable Petty Cash Expenses

Description	Scenario
Regular	Stationery not available in BEDC store (subject to confirmation/approval from Stores Manager) Purchase of minor office consumables (e.g., plugs, extension wire, battery, padlocks, etc) subject to approval of the Head - Services. Staff outstation allowance Drivers' outstation allowances Transport expenses Internal entertainment (in line with BEDC policy on internal entertainment) Entertainment during strategic sessions Entertainment for interview panellists

	Entertainment during team building Entertainment for external stakeholders Payments to casual loaders Feeding for trainees (during training sessions) Protocol activities Minor security service expenses not exceeding N20000.00 Non-recurring urgent and justifiable business expenses subject to the concurrence of Head-Services.
Special Situations	Public Relations (subject to Executive Management concurrence/approval). Medical emergencies and special medical situations subject to approval by the Chief People Officer

All Internal Control/Audit Officers, Finance Officers, CFO, Head- Services, Heads of Department, Regional Heads and all staff members are expected to ensure full compliance and escalate noted violations for Management’s action.

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