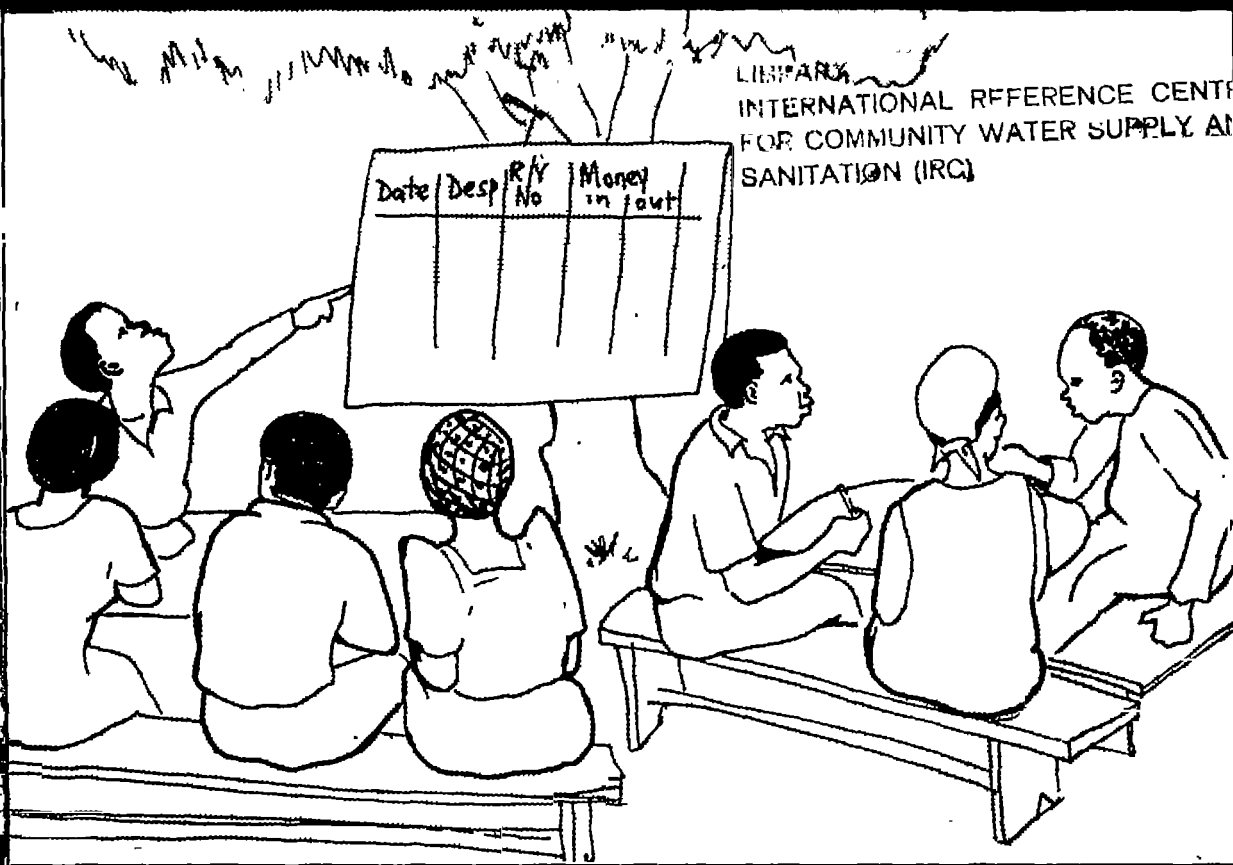
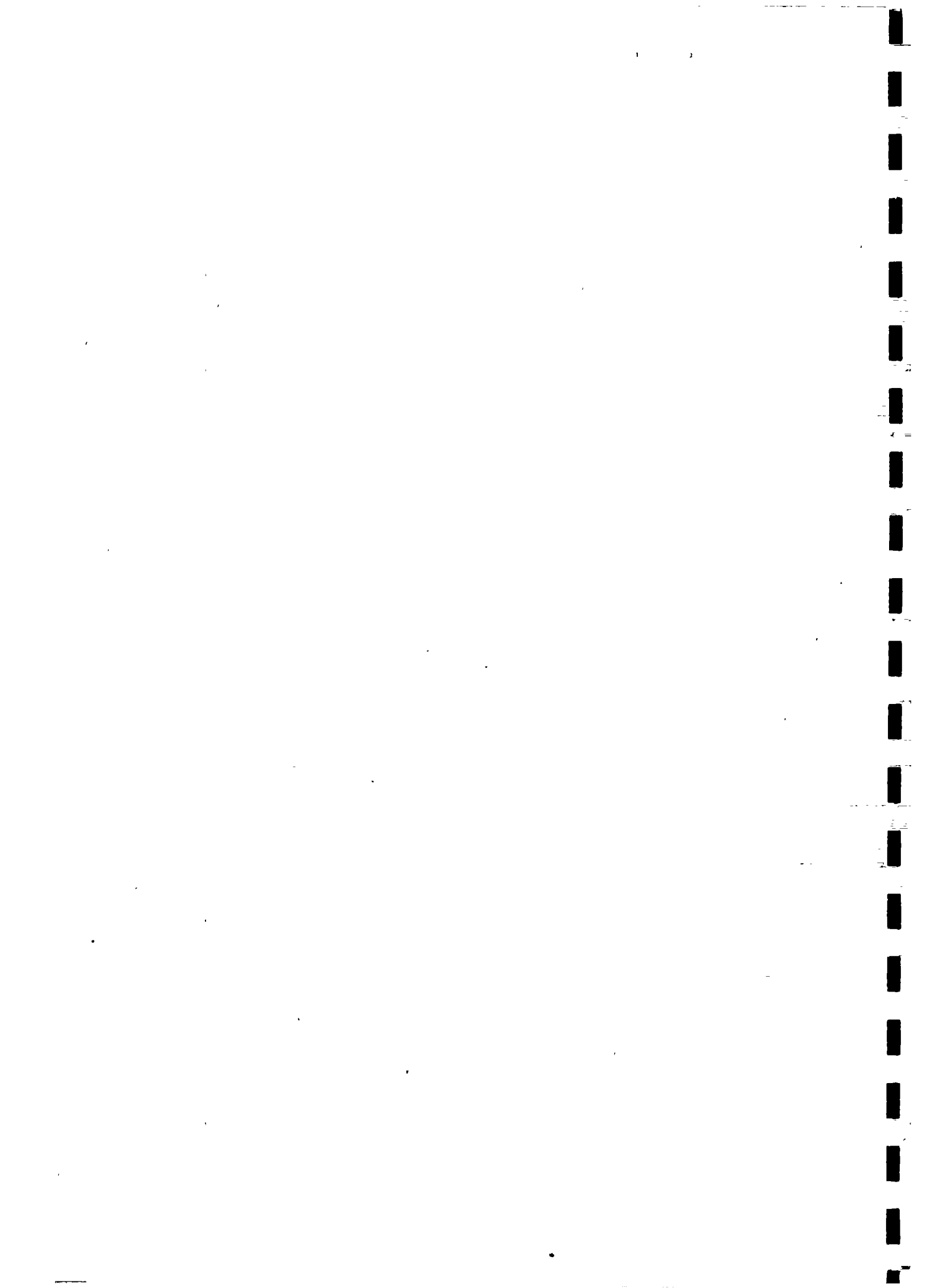


*"Helping
water users plan
collect, use and look
after money."*

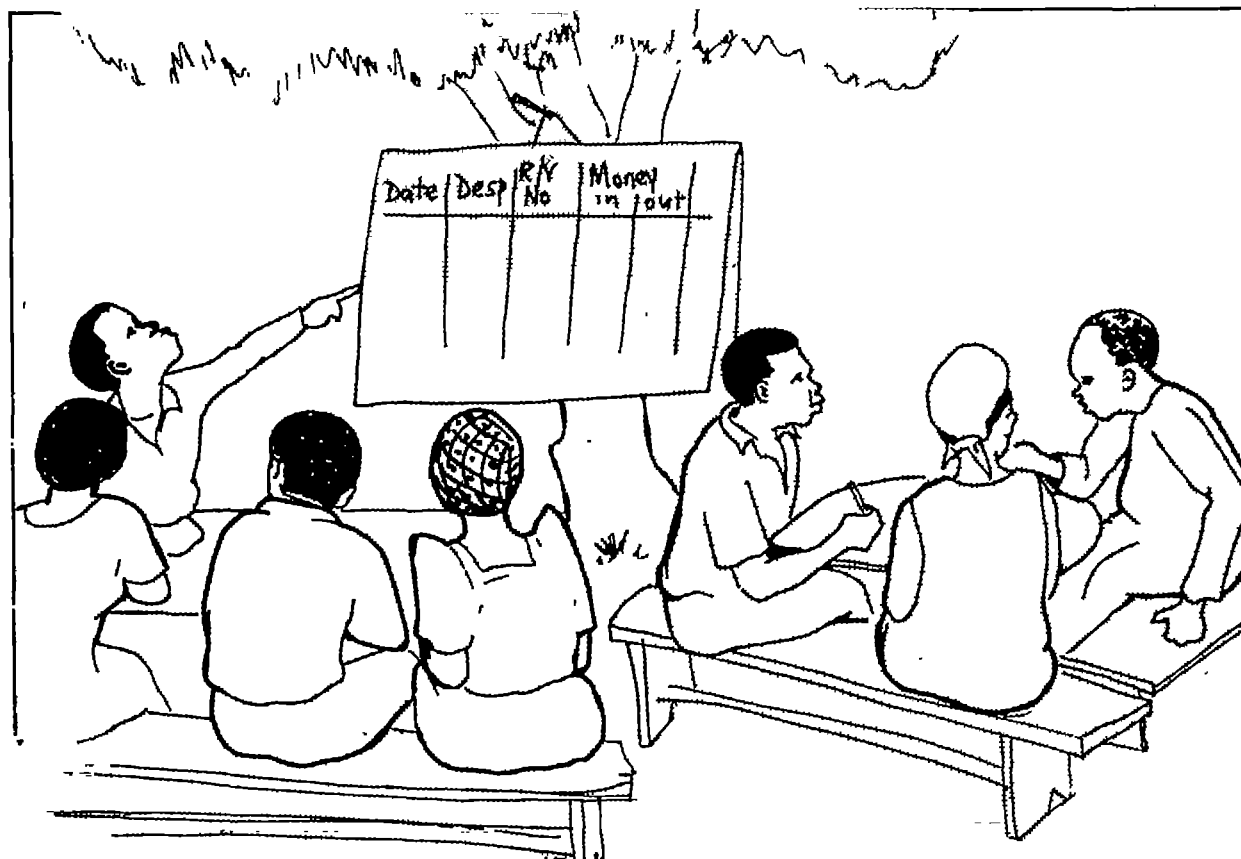
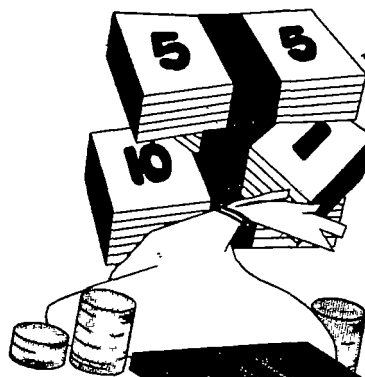


...to community workers

SOUTHWEST INTEGRATED HEALTH & WATER PROGRAM (SIHW)



*"Helping
water users plan
collect, use and look
after money."*



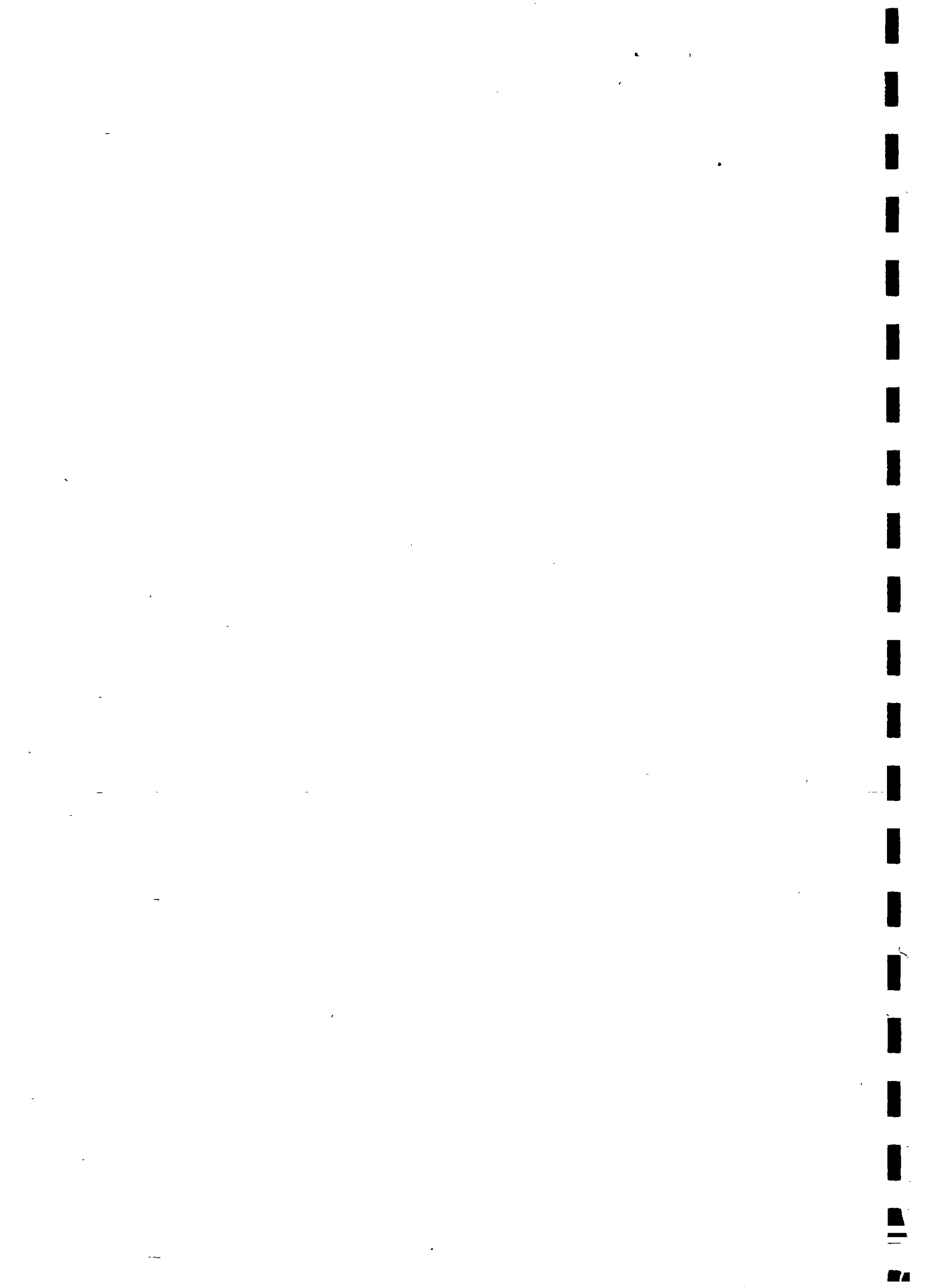
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SOUTHWEST INTEGRATED HEALTH & WATER PROGRAMME **SWIP**

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Foreword

The South West Integrated Project (SWIP) is supporting districts and communities to meet their water needs by sharing the social and physical capital costs - planning, construction, organisational support, through a process that fosters self reliance and ownership.

In sharing costs communities are usually asked to make financial contributions during constructions and maintenance of water facilities. The water and sanitation committees (WSC) who are responsible for the overall management of the water supply and are therefore charged with the responsibility of planning, collecting, using and looking after community financial contributions, are usually chosen not on strength of their financial prowess but on criteria of trustworthiness, confidence etc, members have in them.. Lack of simple book-keeping skills have sometimes led to conflicts in communities over financial accountability. Closer investigations have usually revealed that WSC are not "eating", community funds but that proper records were not kept which could have led to transparency.

It is against that background that SWIP set out to make a training guide using highly participatory adult learning techniques to fill the gap.

This is a draft and SWIP's contribution to the national effort of building a truly community owned and therefore sustainable rural water supply. We invite people, organisations of good will to read, use, comment, criticize without let or hindrance but with a humble request to give SWIP a feed-back.

Great thanks go to social mobilisation / community based maintenance system section of SWIP for their efforts in the production of this manual.

Good reading

Dr. Hitimana - Lukanika
Project Manager - SWIP

How to use this guide

This is a "guide" not a recipe or do-it -yourself book. At first site it may appear so since the session guide includes role plays, facilitators questions and concluding remarks etc . But the aim or at least the spirit behind , was to provide the session guide as an example especially as highly participatory training at community level is not yet ingrained in the majority of trainers. Facilitators are therefore invited to make whatever changes they feel are necessary to cover the objectives of the session.

Your attention is further drawn to the following:-

- **Language-** SWIP, using this manual has successfully conducted training in local languages but with a dose of technical terms in English. Suggestions on "equivalent" terms in local languages found in SWIP area are attached as annex C.
- **Role plays-** Role plays are only examples and facilitators are **strongly advised** to appraise themselves of the local situation, cultural and other sensitivities before conducting them. Use of local names and participants as actors/ actresses should be encouraged.
- **Objectives-** The objectives of the session should be revealed at the end (during "Wrap up") of the session part NOT at the beginning. Their inclusion at the beginning was to let the facilitators plan the session with those objectives in mind.
- **Resolution -** Almost all sessions have a plenary in which participants are called upon to RESOLVE on an issue. This is extremely important and perhaps the highlight of the session. This should be accorded maximum attention by the facilitators.
- **Work plan -** At the end of the training "RESOLUTIONS" and any other pertinent issues that cropped up during the training should be collected together and tabulated.

An example is suggested below:-

Work plan for Masyoro Gravity Scheme on how to plan, collect use and look after money.

Item No.	Activity	Person Responsible	Other Persons	Time		Materials Required	Remarks
				Start	Finish		
1.	Open Bank Account	Mr. Kintu (Tres)	Chairman Secretary	11 / 10 / 92	20 / 10 / 92	- Letter from chief - Initial deposit of 10,000/=	
2	Make a money plan	Mr Kintu (Tres)	WSC	15 / 10 / 92	25 / 10 / 92		Call on Assistanc of DWO

This is very important as it allows the facilitators to follow up and support the WSC. It should be recognised that training can only arouse and sensitise and the bulk of the work will be done during follow up. Without **follow up and support** it is highly likely that no action will take place.

- Sessions:- Depending on the "level of understanding" of the committee, some sessions may be omitted. SWIP experience is that if training is being carried out for the first time then it is worthwhile to go through all of them. The 'level', strengths and weaknesses of the committee may be identified using a pre-test. A suggestion is attached but can be modified to suit the circumstances.
- Time:- In participatory training, there is usually a tendency for participators to be carried away with non substantive, time-wasting discussions on trivial matters. Facilitators are **WARNED** to skillfully guide the group back to session objectives. Controversial or "intresting" topics could be written down and discussed during plenary at the end of the training.
- Venue:- Should be within the erea of WSC and it is important not to mix participants from different water supply as resolutions in sessions might be specific.
- Councils:- It is sometimes difficult to define a user's forum which is supposed to mandate water committees. For a small water supply all the users will form a council. However, for large schemes local councils (RCs) or councils consisting of tap stand committees etc. have been used.
- Caution:- There are instances where the manual deviates from orthodox financial management. This is deliberate. We believe financial management is a tool to serve communities not vice versa. The deviations suited the needs of the local communities

Acknowledgement

SWIP wishes to acknowledge with thanks the following people who have contributed through meetings, workshops and field testing of the manual.

- Mr. Robert Mushagara who provided technical support to an otherwise complex subject of financial management.
- District Project Officers - Mr. Edward Bwengye
Mr. Charles Musekura
Mr. Eldad Walakira
Mr. Elisha Tusubira
Mr. Don Mpabatsi
Mr. Peter Kabagambe
- Regional Health Inspector - Mr. Charles Tumwebaze
- Project Officer CBMS - Mr. Sebunya K. L.

The last three groups for translating technical financial management literature into a community level, training manual using participatory methods.

- Secretary - Ms Christine Kachungira for long hours spent sometimes over the weekends typing and correcting the manuscripts. The above not SWIP, are responsible for any errors wherever they occur.

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Part I

Planning for Money

A carpenter who is to make a chair needs more than tools, nails and timber. He needs a sketch plan to guide him on how to make a chair. Therefore, whether it is a carpenter, a water committee or any other person or organisation, a workplan is necessary in performance of any task. Note that not all workplans are put on paper but they are nevertheless made. A person going on a journey must plan for funds, journey time frame etc and usually has clear objectives for the journey even though all these are not put on paper. Water communities are encouraged to make and put plans on paper.

In Part I of this guide, " PLANNING FOR MONEY" attention is paid to planning for activities that involve money for a water supply. The first session draws participants' attention on the importance of making a money plan. The second explains how to make it, the third explores different options a water committee may use to plan how to obtain funds and the last session stresses the importance of getting the user's approval before the committee carries out the money plan.

Planning for Money is the first stage and foundation of good financial management. It is also called BUDGETING.

SESSION 1.1

The Importance of having a money plan (Budget)

OBJECTIVES:-

At the end of the session participants should be able to:-

- describe reasons why it is necessary to have a money plan.
- explain what a money plan is.
- list advantages and some reasons given for not making a money plan.

TIME:

1½ hours.

MATERIALS:

Chalk board & chalk, 15 Newsprints, 2 Markers, musking tape, a table, 2 chairs and 2 plates.

Session Guide

1) Role Play: Setting:

(At Mr. Binshobeire's home.

It is supper time, the family and the visitor-Mr. Binshobeire's mother-in-law are set for supper. Mr. Binshobeire on tasting sauce, finds that there is no salt. He calls his wife aside.)

Mr. Binshobeire: There is no salt, what happened?

Wife: I bought a jerrican of paraffin, 5 kgs of meat, 3 kilos of sugar and the money got finished.

Mr. Bishobeire: You have brought a big shame to our home!!

Wife: Ayii!.....how could I have forgotten!!.....
But don't you have some money so that we send for salt from the shops?

Mr. Bishobeire: You know that the shops are closed at this time and moreover salt is not sold at night!

Facilitator's Question:

- What did you see?
- What did you hear?
- What was happening at Binshobeire's home?
- Does it happen in our daily life? Can you give examples?
- Is it a problem?
- Why did it happen?
- What can we do about it?

FACILITATOR'S GUIDE:

- The husband gave the money but did not assist his wife on what to buy.
- The wife spent too much money on some items and left out necessary requirements like salt.
- The wife did not plan properly
- Lack of proper planning has brought shame to the home.
- In order to carry out any activity proper planning is necessary.

**Concluding
Remarks:**

If Binshobeire and his wife had planned well, the money would have been enough to buy food items and no problem would have come up. When we plan activities in our homes and villages; such as Christmas, Idd festivals, Weddings, parties or other traditional activities, we get involved in planning of how to get the money and on what to spend it, in order to make the activities successful.

**2) FACILITATOR'S
QUESTION:-**

We have seen that in our homes and Villages we make plans and such plans are necessary for our activities to be successful. What could be the reasons for water users to plan for their activities?

FACILITATOR'S GUIDE:-

[List responses from participants].

- They need to identify what activities are to be performed
- They need to cost or find out the money needed
- The plan helps in finding out the different sources of money e.g how much a user community may be asked to contribute could be revealed by the plan
- When user communities are involved and know before hand of the plan, they are more willing to contribute
- A planning exercise can assist in mobilising members to support a community water supply
- It sets time when tasks are to be started and completed.

3)FACILITATOR'S QUESTION:

We have seen the reasons for water users to plan for their activities involving money. What is a money plan?

FACILITATOR'S GUIDE

- A money plan (budget) identifies the amount of money needed and where the money will be obtained.
- It identifies different needs or tasks and shows the money required for each item

A money plan (budget) is defined as "Periodical (usually annual) estimate of income and expenditure of a country, an organisation, a private person or family". In our case the money plan is for construction and maintenance of a water supply.

4)FACILITATOR'S QUESTION

We have discussed the definition of money plans. What are the advantages and other reasons given as disadvantages of planning for money?

GROUP WORK:

Divide participants into two groups A & B

TASK:

List Advantages and 'reasons given against' making a money plan

FACILITATOR'S GUIDE:-

Advantages:

- Planning enables water committees to think of how and where to get money for future expenditure (spending)
- Planning helps a committee in identifying (foretelling) future problems and therefore prepare for them in advance.
- Planning helps in identifying expenses which are to be met and managed by the committee.
- A good money plan can assist the committee in mobilising money e.g. donors, local authorities, central Government.
- A plan makes checking on progress easier
- A plan assists in locating possible sources of money in advance.
- A money plan approved by user communities can assist the committee to get contributions from members more easily

Reasons given as disadvantages:

- Actual results are more often not the same as the plans so why should you plan?
- Some expenses like repairs do not occur all the time. Money could be organised as and when need arises.
- Constant price changes make prediction of the future very difficult.
- Planning consumes a lot of time
- Plans may cause unnecessary conflicts between the committee and members when actual results differ from the plan.

5) PLENARY

- Groups present their work.
- Participants discuss group work.
- Participants to resolve or agree on whether money plans are useful or not.

6). CONCLUSION

Inspite of enough money being made available to prepare for the visitor, lack of proper planning brought a problem at Binshobeire's home. Likewise, for a water committee, it is important to have a proper money plan. As we have discussed, the advantages far outweigh the disadvantages thus, making a money plan is very useful for a water source committee.

Money plans are not only useful for water committees but even for other organisations which handle money. In Uganda every end of June the Minister of Finance reads out a "Money plan" also called a BUDGET to the Nation. Likewise district administrations also prepare budgets for each year. It is therefore extremely important that you as committee members prepare money plans or budgets for your water supply.

SESSION 1.2

Making Money Plans (Budgets)

OBJECTIVES:

At the end of the session, participants should be able to:-

- describe information needed to prepare money plans
- explain the reasons likely to change money plans
- make a money plan for their water committee.

TIME:

1½ hours

MATERIALS:

Chalk, Chalk board, 15 Newsprints, 3 markers, masking tape, individual exercise, group exercise.

SESSION GUIDE:

1) FACILITATOR'S
REMARKS:

In order for a water committee to avoid problems, caused by poor or lack of planning, members should make proper money plans for their water sources. When making money plans, committee members should look at all possible changes which may influence and therefore affect money plans.

2) FACILITATOR'S
QUESTION:

As a water committee, what information would you need to assist you to make a money plan?

FACILITATOR'S GUIDE:

- Money collected (income) and money spent (expenditure) during the past years.
- Past experiences of user community's ability and willingness to contribute money.
- Likely changes in prices
- Number of people in the user-community

- Present wages & salaries
- Changes in sources of money e.g. weather dependant sources like cash crops
- Experiences from other established water committees (Important for new committees making money plans for the first time).

3) FACILITATOR'S QUESTION

What are the likely sources of Income for a water committee and what might influence and change the expected income?

FACILITATOR'S GUIDE

Responses are listed on the chalk board or Newspaper.

SOURCES OF INCOME	CHANGES WHICH MIGHT AFFECT WATER SOURCE MONEY PLANS
1 User fees	Number of users
2 Connection fees	Number of users
3 Donations	Committee efficiency
4 Fines	Number of defaulters Committee efficiency
5 Road Toll	Committee efficiency
6 Fundraising	Publicity
7 Grants from Government (Local & Central)	Supportive attitudes
8 Assistance from NGOs	Committee's ability to mobilise

4) FACILITATOR'S QUESTION

What are the likely expenses for the water committee and what might influence and change the expected expenses?

FACILITATOR'S GUIDE

Responses are listed on chalkboard or Newsprint

	EXPENSES	WHAT MAY BRING CHANGE IN EXPECTED EXPENSES
1	Spare parts	Committee efficiency Prices
2	Allowances for workers	Minimum wage Cost of living
3	Materials e.g cement	Prices
4	Training	Need for training
5	Stationary	Prices No. of users (e.g. use of receipt books)
6	Transport	Prices for fuel, oil, spare pparts

5)Facilitator's Question

How do we make a money plan?

FACILITATOR'S GUIDE:

- The committee compiles past years money records for guiding them when making a money plan for the next year. This includes:-
 - Different sources of money and the amount for each source.
 - Different expenses paid and the amount for each expense.
 - The money plan for the past year.
 - The balance of money left at the end of the past year.
- The committee makes a table to assist them in organising past money records and next years budget figures as below:-

Vote/Item No.	INCOME	Money Plan (Budget) Past year	Actual money received or spent past year	Money plan (Budget) Next year
	Balance left from last year			
Inc. 1	Donations			
Inc. 2	Fundraising			
Inc. 3	User fees			
Inc. 4	Connection fees			?
Inc. 5	Fines			
	TOTAL INCOME			
	EXPENDITURE			
Ex. 1	Tools			
Ex. 2	Allowances			
Ex. 3	Transport			
Ex. 4	Stationery			
Ex. 5	Spare parts			
Ex. 6	Training			
	Balance left			

N.B The figures for past money and the Actual money received and spent could be obtained from water committee past records. The question mark in the last column indicates that you have to fill that column, thus making a budget for next year.

The first column records the vote or item number for a particular source of Income or Expense from past year's budget. It is a reference which links the money plan (budget) to actual income and expenditure.

- The committee fills the table, with money figures for the past year.
- The committee makes a money plan (budget) for next year by filling the last column of the table named "Money Plan (Budget) for next year".
- Individual Exercise

Kitanga water committee had the following information for the past year:-

Money left from the previous year was Shs.3,000/=. From 'Donations' they received Shs.11,000/=. and Shs.32,000/= had been collected from 'Fundraising'. For the same year, the Treasurer had paid Shs.20,000/= on 'transport' and Shs.24,000/= for 'workers allowances' only.

The past year money plan showed the following:-

Money left from the previous year was Shs.4,000/=. The committee was expected to collect Shs.15,000/= from fundraising, and Shs.20,000/= from Donations. Shs.15,000/= was to be spent on transport and Shs.24,000/= on workers allowances.

The committee had gathered the following information to be considered when making a budget for next year.

- The public has been made more aware about the need for supporting community water sources.
- Transport costs may go up due to expected price increase for fuel, oils and spare parts.
- It is unlikely for government to increase salaries and wages.

The reference number's for the budget are as follows:-

<u>Vote/Item No.</u>	<u>Name of Item</u>
1. Inc. 1	Donations
2. Inc. 2	Fundraising
3. Ex. 1	Transport
4. Ex. 2	Worker's allowance

Tasks:-

1. Using a pen and a ruler, draw a table for money records.
2. Make Kitanga water committee money plan (budget) for next year.

- Completed Individual Exercise may look like this:-

KITANGA WATER PROJECT

Vote/Item No.	INCOME	Money Plan (Budget) Past year	Actual money received or spent past year	Money plan (Budget) Next year
	Balance left from previous year	4,000	3,000	2,000
Inc . 1	Donations	20,000	11,000	15,000
Inc. 2	Fundraising	15,000	32,000	40,000
	TOTAL INCOME	39,000	46,000	57,000
	EXPENDITURE			
Ex. 1	Transport	15,000	20,000	30,000
Ex. 2	Worker's allowances	24,000	24,000	24,000
	Balance left	--	2,000	3,000
	TOTAL EXPENDITURE	39,000	46,000	57,000

Group Exercise

- Divide participants in groups A & B

Task

Use your committee money records, to make next years' money plan (budget) for your water supply.

- In case participants do not have past money records, the facilitator can use Kigarama water project money records below, as a basis for making their own water supply money plan.

KIGARAMA WATER PROJECT

Vote/Item No.	INCOME	Money Plan (Budget) Past year	Actual money received or spent past year	Money plan (Budget) Next year
Inc 1	Balance left from last year			
Inc. 2	Donations	10,000	10,000	?
Inc. 3	Fundraising	20,000	15,000	?
Inc. 4	User fees	70,000	59,000	?
Inc. 5	Connection fees	80,000	76,000	?
	Fines	20,000	30,000	?
		20,000	12,000	?
TOTAL INCOME		220,000	202,000	?
EXPENDITURE				
Ex. 1	Tools	30,000	20,000	?
Ex. 2	Allowances	28,000	20,000	?
Ex. 3	Transport	25,000	30,000	?
Ex. 4	Stationery	15,000	20,000	?
Ex. 5	Stationery	80,000	20,000	?
Ex. 6	Spare parts	20,000	70,000	?
Ex. 7	Training	22,000	15,000	?
Ext. 7	Emergency	--	2,000	?
	Balance left	220,000	202,000	?

Completed money plan for Kigarama may look like this:-

Vote/Item No.	INCOME	Money Plan (Budget) Past year	Actual money received or spent past year	Money plan (Budget) Next year
	Balance left from previous year	10,000	10,000	2,000
Inc . 1	Donations	20,000	15,000	22,000
Inc. 2	Fundraising	70,000	59,000	75,000
Inc. 3	User fees	80,000	76,000	76,000
Inc. 4	Connection fees	20,000	30,000	40,000
Inc. 5	Fines	20,000	12,000	10,000
TOTAL INCOME		220,000	202,000	225,000
EXPENDITURE				
Ex. 1	Tools	30,000	20,000	22,000
Ex. 2	Tools	28,000	20,000	30,000
Ex. 3	Allowances	25,000	30,000	36,000
Ex. 4	Transport	15,000	20,000	20,000
Ex. 5	Stationery	80,000	20,000	80,000
Ex. 6	Spare parts	20,000	70,000	20,000
Ex. 7	Training	22,000	15,000	15,000
Ext. 7	Emergency	--	2,000	2,000
	Balance left	220,000	202,000	225,000

6) .PLENARY

- Groups present their work.
- Discuss group work
- Make a **resolution** on making a money plan for your water committee.

7). CONCLUSION

We looked at the kind of information needed to make money plans for our water supply. This includes money budgeted for the past year, actual amount obtained and spent and other changes which may affect future water supply activities. Finally, we worked out exercises on how to make a money plan.

If we carry through our resolution to make a money plan for our water supply, we shall have achieved the objectives of this session.

SESSION 1.3

How to raise Money

OBJECTIVES:

At the end of the session participants should be able to:-

- identify different ways of raising money for their water points
- make a plan for raising money

TIME:

1½ hours.

MATERIALS:

Chalk, Chalk board, 10 newspapers, 2 markers, exercise books, pens, masking tape.

SESSION GUIDE:

1). Facilitator's Introductory remarks:-

During the previous sessions, we dealt with planning as a basis for water committee financial activities. A money plan, identifies sources and uses of money. In this session, we are going to look closely on how a water committee could raise money to construct and maintain a water source.

2) Group Work

- Divide participants into two groups A & B
- Issue group exercise

Group Exercise:

Your community has been experiencing a water problem for a long time. You have been selected to serve on the water committee.

One of the immediate tasks is to plan on how to raise Shs.4m/= to meet construction and maintenance costs for the following year.

Task:

Work out options and methods for raising Sh.4m/= for your water source.

FACILITATOR'S GUIDE:

- **User fee**

This is a periodical contribution from user members as decided by the user-community council. In some communities the fee is paid by tax payers and in others by house holds.

User fee is also charged to individuals who may connect water supply to their houses.

- **Connection fee:**

In some piped water systems e.g. gravity water schemes, there are people or organisations which may want to take water to their houses. These people or organisations are charged a fee for connecting water to their houses. This fee is usually charged once.

- **Fines:**

The committee sets rules and regulations which govern the use of the water supply. Those who break them are charged a fee decided by the committee.

- **Labour:**

User communities may contribute free labour either during construction or later when maintaining a water supply. If the labour contributed was valued, it could reflect an important source of money.

- **Women contributions:**

In some communities women may contribute things in kind such as handcrafts. These could be sold later and fetch money.

- **Income generating activities:**

Communities could organise themselves and obtain contracts where they do manual work and get money. In Kabale district, water user-community contract clearing of land (*Okupatana ehubira*) and get money.

Communities can acquire land, plant trees whose timber can be sold to meet future large maintenance costs like replacement of pipes or bore-installations

Communities could engage in planting and selling of seedlings.

- **Central Government Grants:**

Central Government could give grants to the water committees.

- **Local Government:**

Local authorities could set aside part of tax collections for developmental purposes. The water committees should approach relevant authorities for use of developmental funds.

● **Collections from local activities:**

A water committee may collect money from local activities. Some of the activities are:-

Road Toll:

A water committee may collect money from road users.

A tax on business

In Kasere District, people running stores either for coffee, cement, lime or cotton are charged a fee for construction and use of water.

Market charges:

People operating business in markets located in that community are charged a certain fee for use on water supply activities.

● **Fundraising:**

Door to door appeals. Committee members may go to different homes in the community asking for assistance.

Collecting money at public functions

Members of a water committee may seek permission of organisers of public functions such as church services or political rallies to collect money by passing a basket around.

Auction sales:

Committee members organise a day for fundraising. People are asked to contribute items. The items are auctioned on that day.

● **Appeals to well wishers**

"Sons and daughters" working in distant places especially urban centres.

Friends of the community leaving in distant places including those abroad.

Organisations like, district/county development agencies.

Political organisations

● **Social functions:**

Organising concerts, drama clubs, football matches etc and charge entrance fee. The committee may organise to share the gate collections with the other people who provide room or a field in case of foot ball.

● **Donations**

Water committees could get donations which may come from the general

public, non-government organisations within the country or NGO's from other countries.

● **Lotteries & Raffles**

The committee may organise lotteries or raffles where prizes are given to lucky winners. Money is collected from the public and lucky people receive prizes.

3) **PLENARY**

- Groups present their work
- Discuss group work
- Make a resolution on raising funds.

4). **CONCLUSION**

We need money to spend on construction and maintenance of a water supply. The main source for the money are the user-community, the Government and the general public. The amount of money collected from the different sources will largely depend on the ability of the committee's efforts to mobilise.

SESSION 1.4

Presentation and Approval of the Money Plan

OBJECTIVES:

At the end of the session participants should be able to:-

- explain reasons for presenting a money plan
- describe how to present a money plan

TIME :

1½ hours

MATERIALS:

Chalk, Chalk board, 8 Newsprints, 2 Markers, Masking tape, Exercise Books, Pens, Group exercise.

SESSION GUIDE:-

1) Role Play

Setting:

(Members of Twimukye Co-operative Society have gathered at a community centre hall ready to discuss society matters. It is their Annual General Meeting. After a short prayer, the Chairman addresses the meeting.)

Chairman:

Dear members, I am glad to announce that during the previous year, we made a profit of Ush. 150,000/=. I am also pleased to inform you that we managed to buy a bicycle at Ush. 80,000/=. increased workers salaries and purchased stationery worth Ush.50,000/= intended to last one year.

Mrs. Byandusya: *(Puts up her arm and shouts)* Mr. Chairman, I am seeking information.

Chairman: Yes, Mrs. Byandusya

Mrs. Byandusya: Thank you Mr. Chairman. Sorry to interrupt your speech. It is good that the society made profits, but who authorised the committee to buy a bicycle, increase workers salaries or even lock (hold up) our money in stationery for a whole year?

Mr. Katureebe: *(Without seeking permission from the chairman)*
We are tired of the committee's doing things behind our backs!

Mrs. Rwagaba: These people are not serious!

(The meeting ends in uproar.)

- END -

FACILITATOR'S QUESTIONS:-

- What did you see?
- What did you hear?
- Is there a problem?
- Why should the committee seek approval from members before spending money?

FACILITATOR'S GUIDE:-

- Members have assembled ready to discuss society matters
- The chairman addresses the meeting
- The Society has made a profit of Sh.150,000/=
- The committee has bought a bicycle at Shs. 80,000/=
- The committee increased salaries for workers
- They bought stationery worth Shs.50,000/= estimated to last one year.
- Members have complained about the committee spending society money without their authority
- There is a problem. The committee acted without authority from the Council and the meeting failed to take place.
- There is need for the committee to seek approval of the money plan before money is spent.

Facilitator's Concluding Remarks:-

It is possible that the committee did not misuse the money but had spent members money without authority. If the previous year's money plan had included the items in question and the money plan had been approved by the council, most likely, disagreements could not have arisen and the meeting could have been successful.

2) FACILITATOR'S QUESTION

What are the reasons for seeking the approval of the money plan by members or their representatives?

FACILITATOR'S GUIDE

- An approved money plan acts as a control measure by members
- When discussing the money plan, members may come up with new ideas
- An approved money plan makes the committee work more confidently because they have been given authority. It may reduce unfounded rumours about misuse of money.
- Once a money plan has been approved, a committee finds it easy to get contributions

- An approved money plan is a decision by all members and not a one-man's decision
- An approved money plan helps to solicit money from donors.

3) FACILITATOR'S QUESTIONS:-

We have discussed the reasons for a committee to seek approval from the council for a money plan.

What preparations are made before presenting a draft money plan? How does the committee present a draft money plan for approval?

FACILITATOR'S GUIDE:-

The committee arranges suitable time and venue for the meeting in consultation with the council. The council may consist of user-community members or their representatives.

- An Agenda is prepared and may consist of the following:-

- Chairman's speech
- Reading of previous minutes
- Matters arising
- Treasurer's report which includes past accounts and proposed money plan for next year.
- Discussion of money plan (budget) for next year.

FACILITATOR'S REMARKS:-

During discussions, members may seek clarifications from the committee, they may criticise, alter or add ideas to the money plan. If the money plan is accepted or amended, a resolution is passed approving the money plan.

FACILITATOR'S QUESTION:-

Having made preparations for presenting a money plan for approval, how do we present the plan to the council?

4) GROUP WORK:

FACILITATOR'S GUIDE

- Let participants remain in their groups A & B as formed in the previous session when they made money plans (budgets) using their own water point money records.
- Group 'A' acts as a water committee and presents the money plan (budget) they made to Group 'B' whose members act as councillors.
- The chairman of Group 'A' controls the meeting, deciding on who to speak during the discussions.
- The chairman presents an agenda and they go through it.
- The Treasurer in Group 'A' reads the proposed money plan (budget) along with actual money collected and actual money spent during the past year.
- Members of Group 'B' raise points where they seek clarification or where they feel changes should be made
- The meeting makes necessary adjustments and finally a resolution is passed approving the money plan (budget).

5) CONCLUSION

It is important for the water committees to know the reasons for presenting money plans to the council and to understand how such plans can be presented to the council for approval. The role play at the beginning of this session demonstrated to us that council members are entitled to approve the use of funds before the committee goes ahead to operate. We considered the arrangements made before money plans are presented to the council and finally did an exercise on how presentation of the money plan can be conducted. There is need to present money plans to the council.

Presenting money plans (budgets) for approval is not done only by water committees. The District Administrations present annual budgets to district councils, while central governments seek approval for national budgets from parliament.

PART TWO:

Receiving ,Using, Recording and Accounting for Money

INTRODUCTION

The second part of this guide ie “RECEIVING, USING, RECORDING AND ACCOUNTING FOR MONEY” is part of the second phase of management known as “FINANCIAL OPERATIONS”. In this part we shall discuss how the money received and paid by a water committee is recorded and then accounted for. The first session deals with the first records made when receiving or paying money; the second explains how a water committee could go about opening a bank account and the third covers how to pay money into the bank and how to withdraw it from the bank. The fourth session brings to light a simple method of recording cash transactions from the first records with the purpose of tracing money coming, money going out and money left. The fifth session, shows how information in the record book (cash book) could be built up into different income and expenditure accounts which will be used to explain to water users how much money was received or paid on each item and whether a water project made a surplus (profit) or loss (deficit).

SESSION 2.1

The First Records Made When Receiving or Paying Money

OBJECTIVES:

At the end of the session participants should be able to:-

- identify documents where records of money received and money paid are made.
- describe the information found on those documents.
- describe how to record money received and money paid.

TIME

1½ hours.

MATERIALS:

Chalk, Chalk board, 12 Newsprints, 2 Markers, Exercise books, Masking tape, Pens, Receipts, Vouchers.

SESSION GUIDE:-

1) FACILITATOR'S
INTRODUCTORY
REMARKS:

A water committee after obtaining approval from council for their money plan, is expected to go ahead and implement that plan. Implementation of a money plan (budget) will involve receiving and/or paying money.

2) FACILITATOR'S
QUESTION:

What kind of documents will the committee use to make first records for receiving money?

FACILITATORS GUIDE:

● Receipts

A receipt is the first document on which money received is recorded. The following information is recorded on a receipt:-

Address

Receipt number

Person from whom money is received

Amount of money received (words & figures)

Purpose

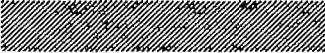
Date

Signature of the person who received it and stamp of the organisation

Stamp

A receipt and a copy are made. The original is given to the person paying the money and the duplicate remains with the committee for future reference.

Show them a copy of a receipt.

Tel:	RECEIPT	P. O. Box
No.		Date.....19...
<i>RECEIVED from M/s.....</i>		
<i>the sum of shillings.....</i>		
<i>Being payment of</i>		
<i>Cash/Cheque No.</i>		
Shs: 		
With Thanks		Signature.....

FACILITATOR'S QUESTION:

What kind of documents will the committee use to make first records for paying money?

FACILITATOR'S GUIDE:

● **VOUCHERS**

A voucher is the first document written before money is paid out. The following information is recorded on the voucher:-

Address

Voucher number

Date

● Item reference number from the money plan (see session 1.2) and the account to be affected in the expenditure book (see session 2.5)

Purpose

Amount (words & figures)

Signature of the person who received money

Signature of the person who prepared the voucher

Signature of the person who authorised payment
 Stamp of the organisation

Show them a copy of a Voucher

TEL No:	CASH VOUCHER	P. O. Box19...
DEBIT TO M/s.....		
PARTICULARS	SHS	CTS
PERPARED BY.....	AUTHORISED BY.....	
FOLIO.....	RECEIVED BY.....	

3) FACILITATORS QUESTION.

How do we record money received and money paid on receipts and vouchers?

FACILITATOR'S GUIDE

- Let participants draw receipts and vouchers in their exercise books.
- Issue them with the individual exercise below:-

INDIVIDUAL EXERCISE

The following information was obtained from Kyanamira water project. On 1st March 1991 Mr. Bikaku paid Shs.300/= as a donation to the project. Mrs. F. Mutono, the Treasurer for the project, recorded it on a document numbered 45. On 3rd March the same year, M/s Gulf stationery, sold 2 receipt books @ Sh.500= to Kyanamira water project. The money was paid by using a document, which was prepared by Mr. Lubega, and numbered 15. The money was approved by Mr. V. Tenywa and eventually received by Mr. P. Musoke. The reference on the money plan is Ex. 12-STATIONERY and INC, 4-DONATIONS.

TASK:

Write documents on which to record money received and money paid for Kyanamira water project whose address is P.O. Box 567, Telephone 484, Kabale.

4) PLENARY:

- One of the participants presents his work
- Discuss the work presented
- Make a **resolution** on making receipts and vouchers, a must for all the activities involving money.

FACILITATOR'S GUIDE

Completed Work Should Look Like This:-

KYANAMIRA WATER PROJECT

Tel:	RECEIPT	P. O. Box
No.		Date.....19...
<i>RECEIVED from M/s.....</i>		
<i>the sum of shillings.....</i>		
<i>Being payment of</i>		
<i>Cash/Cheque No.</i>		
Shs:		
With Thanks		<i>Signature.....</i>

KYANAMIRA WATER PROJECT

TEL	PAYMENT VOUCHER	P. O. Box
No:	19...
DEBIT TO M/s.....		
PARTICULARS	SHS	CTS
PERPARED BY.....	AUTHORISED BY.....	
FOLIO.....	RECEIVED BY.....	

5.CONCLUSION

We have discussed how a water committee starts implementing a money plan (budget) by receiving and paying cash. We have identified documents used to make first records for money received and paid. We further discussed the kind of information found on those documents. Lastly we worked out an exercise on making first records for money received and money paid.

Receipts and vouchers, are the first documents where money is recorded. These documents are the foundation for all money activities and for them to be valid all information requested must be supplied and filled.

SESSION 2.2.

Opening a Bank Account.

OBJECTIVES:

At the end of the session participants should be able to:-

- explain the reasons for opening a bank account
- describe the information needed to open a bank account
- describe a current account, a savings account and a fixed deposit account.

TIME:

2 hours.

MATERIALS:

Chalk, chalk board, 10 newsprints, 2 markers, exercise books, masking tape, pens, bank application forms or cards.

SESSION GUIDE:

1) Pre-arrangements:

The facilitator should arrange with the nearest bank to obtain bank documents necessary for the session and for an appointment for a meeting between the participants and a bank official. They could meet in the bank premises or the official could be invited to the workshop venue to discuss banking.

2) Role Play:

Setting:

(At the chairman's house. Majority of Katanga water committee members have arrived for a meeting. The chairman addresses them informally).

Chairman:

I have noted that most of us are present, but we cannot start the meeting without the Treasurer. He does not usually come late and I am confident that he is about to arrive. Please, let us give him only five minutes. Okay?

Members:

(Some members respond to the chairman's request. They are heard answering).

Okay-Let's wait for five minutes only. *(They continue discussing informally).*

- Treasurer:** *(Bursts into the room punting)* The fire has done it! All my household property together with the projects money have been reduced to ashes!
- Chairman:** But who did it?
- Treasurer:** I don't know what I will do to my children! They are the ones who set the house on fire, while we had gone for digging.!!!
- Member:** The first time it was ants which destroyed our money. The second time thieves run away with it and this time it is fire!!!

- END -

FACILITATOR'S QUESTIONS

- What have you heard?
- How did the committee's money get lost?
- Is there a problem?
- In which other ways could the committee loose money at the Treasurer's house?
- Does such a thing happen in your experiences?
- How can we, as a committee, keep our money safely?

FACILITATOR'S GUIDE

- Members of a water committee had gathered at chairman's house for a meeting.
- They were waiting for a treasurer who came late, only to announce that the committee's money had been burnt together with his property.
- Money could be destroyed by rats, cockroaches or water.
- It could be lost through, trickery, fraud or through the death of the treasurer.
- There is a problem. The water committee has lost money.
- Such things are common in our dally lives.

It could happen to a water committee.

Helping Water Users Plan, Collect, Use And Look After Money

- We have to find a way of keeping our money more safely.
- We could avoid loss of money by keeping it in the bank.
- We need to open and operate a bank account.

FACILITATOR'S REMARKS:

We have seen how money kept in our houses or offices may be lost in different ways. Banks may offer better protection for our money.

3.FACILITATOR'S QUESTION

What are advantages and disadvantages of opening a bank account?

FACILITATOR'S GUIDE

Advantages:

- Money kept in the bank is more secure.
- Keeping money in the bank reduces unnecessary spending.
- Money banked may earn profits (interest).
- Having a bank account makes it easy to borrow from the bank.
- Banking avoids holding to a lot of cash.
- Payment of debts becomes easier.
- Banking may ensure safety of money records.

Disadvantages:

- In countries where prices of commodities are increasing daily, keeping money in form of goods would be better than banking it.
- It takes time to deposit and withdraw cash from the bank
- The committee may not have access to money during weekends, holidays or at night for emergency.
- Banking money can be expensive e.g if the committee is far from the bank it may cost much money on transport or committee allowances.

FACILITATOR'S REMARKS:

From our discussion of advantages and disadvantages for operating a bank account, it is evident that advantages out-weigh the disadvantages. Water committees should be encouraged to open and operate bank accounts for their water projects.

Participants should make a **resolution** on opening and operating a bank account.

4) FACILITATOR'S QUESTION

What does a water committee need to open a bank account?

FACILITATOR'S GUIDE

Committees should be encouraged to approach the bank where they intend to open an account to know the requirements. Generally the following is required:-

- Address of the water committee.
- Introductory letter from local authorities.
- Witnesses who should have accounts in that bank.
- Letter of application by the committee.
- Bank application form or card duly filled (show them copies).
- Resolution by the water council to open a bank account.
- Signatures and sometimes photographs of persons operating the account.
- Rules and regulations (bye-laws) of the water committee.
- Money for opening a bank account

5) FACILITATOR'S STATEMENT

There are many types of bank accounts, but the relevant ones for a water committee are current account, savings account and fixed deposit account. Let us describe each of these accounts and you can choose the most appropriate.

FACILITATOR'S GUIDE

● Current Account

Presently (1992) for every Shs.100/= banked, one earns Shs.8/= per year (i.e. 8% interest).

No notice is required before withdrawing money.

Customer can withdraw more money than the balance shown on the account (this is known as an overdraft). Banks charge for overdrafts.

A cheque is used to withdraw money.

Customer is issued with a monthly bank statement.

● Savings Account

For every Shs.100/= banked, one earns Shs. 35/= per year, (i.e 35% interest)

Withdrawals may be limited to say once a week

Sometimes a limit may be put on the amount to be withdrawn within a

given period.

- Withdrawal form is used to withdraw money from the bank.
- Customer is issued with a Pass book. (a book which records all the money deposited and withdrawn from the bank).

● **Fixed Deposit Account**

- The profits (interest) earned on this account depends on the agreement made between the customer and the bank. The customer decides to deposit money for a specified time during which he is not allowed to withdraw that money. Sometimes the amount of money deposited may decide the interest rate. The current 1992 (profit) interest rates are as under:-

1. 3-6 months - profit of Sh.36 for Shs.100 per year (36% interest).
2. 7-12 months - profit of Sh. 38 for Shs.100 per year (38% interest).
3. 1 year and over - profit of Sh. 39 for Shs.100 per year (39% interest).

6) PLENARY:

Resolution on type of account to open.

7) CONCLUSION:

From Katanga water committee's experience, money kept in our homes or offices is exposed to many dangers. We discussed the advantages and disadvantages of keeping our money in the bank and eventually concluded that opening and operating a bank account has many advantages which out-weigh the disadvantages. Water committees should therefore, be encouraged to open bank accounts. We discussed the requirements for opening a bank account and later compared the different accounts which could be considered by a water committee before deciding on which one to operate. Lastly we visited a bank (or a bank official held discussions with us) to gain first-hand information on how to operate a bank account.

SESSION 2.3

How to Pay and Withdraw Money from the Bank

OBJECTIVES:

At the end of the session participants should be able to:-

- describe steps taken before paying cash into bank.
- describe steps taken before withdrawing cash from a savings account.
- describe steps taken before withdrawing money from a current account.
- describe steps taken before paying in cheques into the bank.

TIME:

1½ hours.

MATERIALS:

Chalk, Chalk board, 15 newsprints, 2 markers, exercise books, pens, cheques, bank-in-slips, savings withdrawal forms, masking tape, group exercise.

SESSION GUIDE:

1) Pre-arrangements

The facilitator should arrange with the nearest bank to obtain bank documents necessary for the session and for an appointment for a meeting between the participants and a bank official. They could meet in bank premises or the official could be invited to the workshop venue to discuss banking.

2) Facilitator's Introductory Remarks:

In the previous session, we dealt with the reasons for opening and operating a bank account, information needed to open a bank account and different accounts a water committee could operate. We also agreed to open a bank account and know the steps taken to open one.

3) Facilitator's Question

What are the steps taken before paying cash into the bank?

FACILITATOR'S GUIDE

[Responses are listed on chalk board or newsprint]

- **Step I** - Arrange the money in different denominations and count it. Denominations are different kinds of money eg. 200/= note 100/= note 2/= coins etc.
- **Step II** - Record the money on a bank-in-slip for paying in cash. A bank-in-slip is a document provided by the bank and used to pay in money. A cash bank-in-slip when properly filled should have the following information:-
 1. Name of the bank
 2. Account number
 3. Date
 4. Owner of the account.
 5. Total amount of each denomination.
 6. Total amount paid in.
 7. Signature of the person paying in the money.
 8. Stamp and signature of bank official (cashier) who received the money.

- **Step III** - Banking cash

1. Cash and the bank-in-slip are handed to the bank cashier.
2. Cashier counts the money and checks it against bank-in-slip records.
3. Cashier confirms receipt of cash by stamping and signing the bank-in-slip.
4. Original copy is kept by the bank and the copy is given to the person paying in the money.
5. Money is recorded on the bank account shown on the bank-in-slip.

The steps for paying in cash are similar for both current and savings account.

4) FACILITATOR'S QUESTION

What are the steps taken to withdraw money from a savings account.

FACILITATOR'S GUIDE

- A voucher for authorising payment is made.
- The payment is authorised by signing the voucher.
- A savings withdrawal form is filled and signed by people operating the

PASS BOOK No.....		FORM OF WITHDRAWAL FROM SAVINGS BANK ACCOUNT	
UGANDA COMMERCIAL BANK			
		Savings Bank Account No.....	
		Received this Day of..... 19... from	
UGANDA COMMERCIAL BANK the sum of shillings.....			
..... which please debit to my Savings Bank Account with you			
Shs.....	RECEIPT STAMP	Signature
SAS		Stamp to be cancelled by date and initials.

account.

The savings withdrawal form is presented to the bank.

The bank checks the signatories, the money on the account, identification of the person who presented the form and then money is paid.

5) FACILITATOR'S QUESTION

What are the steps taken to withdraw money from a current account?

FACILITATOR'S GUIDE

A voucher for authorising payment is made

The payment is duly authorised by signing the voucher

A cheque is written. A cheque is an order to a bank for paying on demand a specified sum of money (show them a cheque).

Authorised people sign the cheque

The cheque is presented to the bank for payment. The bank verifies the cheque, identifies the presenter and pays the money.

6) FACILITATORS QUESTION

A water committee may receive money in form of cheques. These may be from different sources such as Government, or from user-members who may prefer to pay cheques instead of cash. How do we bank (pay-in) these cheques into the bank?

FACILITATOR'S GUIDE:

● Steps taken when banking cheques.

Step I

Record the cheques on a bank-in-slip specially made for banking cheques. The bank-in-slip has the following information: (show them bank-in-slip)

Name of the bank where cheques are to be paid in.

Account number.

Date

Owner of the account.

Name of the bank from where the cheque comes.

- Cheque number
- Account on which it is issued.
- Amount in words and figures.
- Name of the person paying in the money.
- Cashier's stamp and signature.

Step II- Banking cheques

1. Banking cashier receives the cheques and the bank-in-slip
2. Cashier checks the cheques against the record on the bank-in-slip
3. Cashier confirms receipt of the cheques by stamping and signing on the bank-in-slip
4. Original is kept by the bank and the copy is handed to the person who paid in the cheques.
5. After ascertaining that cheques are genuine, the bank credits the amount on the account.

(Note that when a Cheque is banked charges are made)

The steps for paying in cheques are for both current and savings accounts.

7) Group Work:

- Divide participants into two groups A & B
- Issue them with group exercise, blank cheques and bank-in-slips

Group Exercise:

KAKOBA WATER PROJECT

Kakoba community has formed a water committee to look after their water source. The committee has already opened a current account with UCB - Ntare Road Account No.4805. The following transactions took place during the month of February 1991.

On 2.2.91 Peter Mutebi banked money as follows:-

1/=	coins	banked	Shs.	200/=
100/=	notes	"	"	14,000/=
2/=	coins	"	"	300/=
50/=	notes	"	"	2,000/=
5/=	notes	"	"	700/=
20/=	notes	"	"	1,500/=
10/=	notes	"	"	1,300/=

On 6/2/91 they wrote a cheque No.334690 signed by Mr. Boss payable to M/s Mbarara Construction Company who had delivered 5 bags of cement each at Sh.3000/=. On 4/2/91, they received a cheque from Mr. Buringuriza as a donation for Sh.1,500/=. The cheque was banked on 5/2/91 by Mr. Peter Mutebi.

Task:

Write bank-in-slips and a cheque for these transactions.

Completed Group Exercise

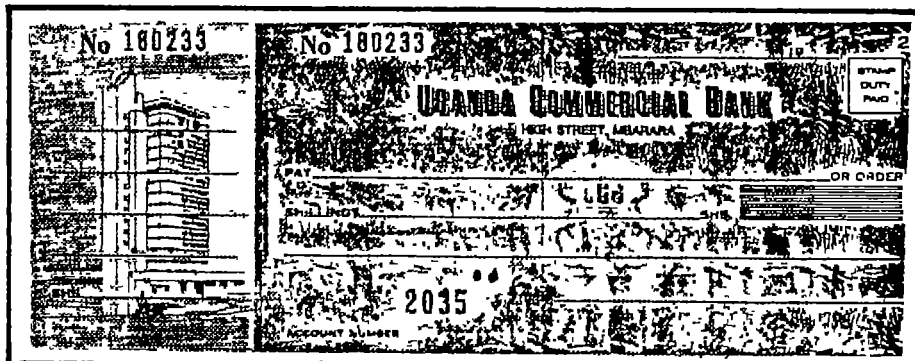
CASH BANK-IN-SLIP:

UGANDA COMMERCIAL BANK		CASH ONLY	ACCOUNT NO 4805																													
CREDIT <u>KACABA WATER PROJECT</u>		2nd February 1991																														
<div style="border: 1px solid black; border-radius: 50%; width: 80px; height: 80px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> Supervisor </div>	<div style="border: 1px solid black; border-radius: 50%; width: 80px; height: 80px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> Cashier's Stamp & Signature </div>	<table border="0" style="width: 100%;"> <tr><td>NOTES</td><td>Shs 1000/-</td><td style="text-align: right;">-</td></tr> <tr><td></td><td>Shs 500/-</td><td style="text-align: right;">-</td></tr> <tr><td></td><td>Shs 100/-</td><td style="text-align: right;">14,000</td></tr> <tr><td></td><td>Shs 50/-</td><td style="text-align: right;">2,000</td></tr> <tr><td></td><td>Shs 20/-</td><td style="text-align: right;">1,500</td></tr> <tr><td></td><td>Shs 10/-</td><td style="text-align: right;">1,300</td></tr> <tr><td></td><td>Shs 5/-</td><td style="text-align: right;">700</td></tr> <tr><td>SILVER</td><td></td><td style="text-align: right;">-</td></tr> <tr><td>COPPER</td><td></td><td style="text-align: right;">500</td></tr> <tr><td>TOTAL</td><td></td><td style="text-align: right;">20,000</td></tr> </table>	NOTES	Shs 1000/-	-		Shs 500/-	-		Shs 100/-	14,000		Shs 50/-	2,000		Shs 20/-	1,500		Shs 10/-	1,300		Shs 5/-	700	SILVER		-	COPPER		500	TOTAL		20,000
NOTES	Shs 1000/-	-																														
	Shs 500/-	-																														
	Shs 100/-	14,000																														
	Shs 50/-	2,000																														
	Shs 20/-	1,500																														
	Shs 10/-	1,300																														
	Shs 5/-	700																														
SILVER		-																														
COPPER		500																														
TOTAL		20,000																														
Total Amount in words Shs. <u>Twenty thousand Shillings only.</u>																																
Signature of Person Paying in to the Cashier <u>Peter Mutebi</u>																																

CHEQUE BANK-IN-SLIP

ORIGINAL				
UGANDA COMMERCIAL BANK				Cheque P.O.'s etc.
A/C NO. _____		BRANCH _____ 19__		
CREDIT _____				
				Amount
	Bank	Cheque No	On A/C NO	Slis
<div style="border: 1px solid black; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> Cashier's Stamp & Signature </div>				
<div style="border: 1px solid black; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> Supervisor </div>				
			Total Shs.	
Amount in words Shillings _____				
Paid in by _____				

CHEQUE ISSUED:



8) PLENARY

- Groups present their work
- Discuss group work

9) CONCLUSION:

We have seen how water committees can bank cash and cheques. We looked at the documents used to bank money and the necessary steps taken when banking money. We have also learnt how to withdraw money from the bank. Finally we dealt with a practical exercise of how to bank and withdraw money from the bank. From what we have learnt, we should be able to explain how to bank money and how to withdraw money from the bank.

SESSION 2.4

Making Proper Records for Money Received and Money Spent

OBJECTIVES:

At the end of the session participants should be able to:-

- explain the importance of keeping proper money records.
- explain the method used in keeping records of money received and money spent.
- describe how to make a simple cash record book.
- describe how to enter money received or money spent and the balance in the record book.

TIME:

1½ hours.

MATERIALS:

Chalk board, chalk, pens, pencils, exercise books, 10 newspapers, 2 markers, masking tape, Rurambi Borehole exercise.

**SESSION
GUIDE:-**

1) Role Play.

The Treasurer of Rurambi Water Committee is addressing user's Annual General Meeting. Members are questioning him about money matters.

Q: How many people paid and who did not pay?

A: I really do not know the exact number, but they were many. About fifty.

Q: In which month did members pay most?

A: Mainly at the beginning of the year, and sometime also at the end.

Q: On what particular items did you spend Shs.29,600/= ?

A: I bought a spade, spare parts, paid pump mechanic and bought some drinks for visitors.

Q: Can you show us the receipts?

A: Which receipts? If you want to see the spares - ask the pump mechanic.

(User members are heard grumbling about the Treasurer's explanations.)

- END -

**FACILITATORS
QUESTIONS:-**

- What did you see?
- What did you hear?
- What was happening?
- Was the Treasurer dishonest?
- Assuming he was honest, where did he go wrong?
- Is it a problem?
- Can it happen to your Committee?
- What can we do about it?
- Why should a water committee keep records?

FACILITATORS GUIDE

- The Treasurer is addressing an Annual General Meeting.
- Community users are unhappy with the Treasurer for not answering their questions on money properly.
- The Treasurer cannot answer properly as he has no proper money records.
- The Treasurer may not be dishonest but has no records to support his answers.
- There is problem. Members are complaining.
- This can happen to your water committee.
- Water committees should make money records.
- Records assist committees when accounting for money used.
- Money records will be needed for future budgets.

**2)FACILITATORS
STATEMENT:**

We now know the importance of keeping proper records and one way of recording money coming in and money going out is as follows:-

Draw the table below on chalk board, or newsprint.

Date	Description	Receipt/Voucher No.	Money In	Money Out	Money Left
1 . 6 . 91	Balance	c/d	20.000	-	20.000
2 . 6 . 91	Donations from Mukasa	R5	3.862	-	23.862
4 . 6 . 91	Spare Parts	V16	-	-	8.862
6 . 6 . 91	User fees from Tendo	R6	2.500	15.000	13.362
8 . 6 . 91	Government grant	R7	30.000	-	43.362
16 . 6 . 91	Workers Allowance	V17	2.000	-	45.362

FACILITATOR'S GUIDE:

- Explain the six columns in which cash spent or cash received is recorded. Point out that the method used to make the records can be done locally and cheaply using a pen, a pencil, a ruler and paper
- Date column:
The date is important for knowing when the money was received or when the money was paid out.
- Description column:
In this column, we record the purpose for the money received or paid.
- Receipt / Voucher No. column:
In this column, we record references for entries-as follows:-

Entry

1. Cash left from the previous month:-

Reference

For this entry, we record "c/d" which means "CARRIED DOWN". This tells us that the cash balance has been carried down from the previous month.

2. 'Money received' from receipt book:-

We record the receipt number with an "R" behind, to differentiate it from a voucher number.

3. 'Money paid' from voucher book:-

We record the voucher number with a "V" behind, to differentiate it from a receipt number.

4. Money paid into the bank or vice versa:- We write "C" to indicate cash movement between bank and the cash box. The letter "C" stands for "CONTRA"

- Money-in column:
Money received is recorded in this column.
- Money-out column:
Money paid out is recorded in this column.
- Money-left column:
Money left in the cash box is recorded in this column.

FACILITATOR'S QUESTION

3) How do we record cash received, cash paid and cash left in this record book?

GROUP WORK:

- Divide participants into two groups A & B.
- Issue them with Group Exercise as shown below:-

GROUP EXERCISE

Rurambi Borehole water supply located in Buyanja, Rukungiri had the following money records during the month of March 1991.

Money left on 1st March 1991 was Shs.20,000/=. Mr.Samula donated Shs.2,000/= on 4th March on receipt No.104. The Treasurer received Shs.5,500/= from fundraising on 6th March and issued receipt No.105. On 10th March, Shs.20,000/= was banked. Mrs. Mukuru (the pump mechanic)was paid Shs.1,000/= on 15th March for her allowance and this was paid on voucher No.76. Mr. Bitaraho paid Shs.3,500/= as his annual user fee and the money was received on receipt No.106, on 17th March,1991. The Treasurer paid Shs.600/= for stationery on 20th March and the amount was recorded on voucher No.77. The Chairman was paid money for his transport to a water meeting in Kabale. He received Shs.2000/= on voucher No.78 dated 24th March. The mechanic was paid Shs.6000/= to buy spare parts for on 26th March. The amount was issued out on voucher number 79 on 26th March. On 27th March Shs.12,000/= was withdrawn from the bank. The Treasurer paid Shs.10,000/= on 30th March for Training on voucher No.80.

Task:

1. Using pencil, pen, ruler and an exercise book or paper, make a six column record book.
2. Enter the cash records of Rurambi borehole water supply for the month of March, 1991.
3. Present completed work.

Completed Group work should be as under:-

RURAMBI BOREHOLE WATER SOURCE CASH RECORD BOOK:

Date	Description	Receipt Vouche No.	Money In	Money Out	Money Left
1 . 12 . 90	Cash Balance	c/d	20.000	-	20.000
4 . 12 . 90	Donation from Samula	R104	2.000	-	22.000
6 . 12 . 90	Cash from fundraising	R105	5.500	-	27.500
10 . 12 . 90	Cash banked	C	-	20.000	7.500
15 . 12 . 90	CBW allowance	V76	-	1.000	6.500
17 . 12 . 90	User fees from Bitaruho	R106	3.500	-	10.000
20 . 12 . 90	Paid for stationery	V77	-	600	9.400
24 . 12 . 90	Paid forTransport	V78	-	2.000	7.400
26 . 12 . 90	Paid for spare parts	V79	-	6.000	1.400
27 . 12 . 90	Cash from Bank	C	12.000	-	13.400
30 . 12 . 90	Paid training expences	V80	-	10.000	3.400

4) PLENARY

- Groups present their work
- Discuss group work.
- Make a (resolution) on keeping a record book.

5) CONCLUSION

The Treasurer of Rurambi Borehole got a lot of problems when asked to account for the use of money, because he had not kept money records. From this role play, we learn the importance of keeping proper money records. We discussed the method which we could use to record money received and spent for the water supply, in order to trace the cash coming in, the cash going out and the cash left in our cash box. The method discussed is simple to operate and could easily be adopted by a water committee. Lastly we recorded cash entries into a six column record book as a practical exercise. The record book you made is also known as "CASH BOOK".

This record book or cash book is very important for tracing cash used. Water committees should always find out the correctness of the physical cash left in the box with the balance figure in the cash book; at the end of the day.

SESSION 2.5

Building Up Money Records

OBJECTIVES:

At the end of the session participants should be able to:-

- identify different sources of Income from the cash book and record them in an Income Book.
- identify different expenses from the cash book and record them in an Expenditure Book.
- determine how much money was received or spent on each item/vote in the money plan.
- determine whether a water supply made a profit (surplus) or a loss (deficit).

TIME:

2 hours.

MATERIALS:

Chalk board, Chalk, 12 Newsprints, 3 Markers, Musking tape, Group exercise, pens, pencils, exercise books.

SESSION GUIDE:

**FACILITATOR'S
INTRODUCTORY
REMARKS:-**

In the previous session, we discussed how to make records for money received, money paid out and money left. The method used was simple and can assist in keeping close control of money.

**FACILITATOR'S
QUESTION:**

A Cash Book records money-in, money-out, and money-left. How do we find out the money received on each item/vote and money spent on each item/vote as compared to our money plan.

FACILITATOR'S GUIDE:

● **INCOME BOOK**

- An income book records money received from different income sources.
- In the money plan (budget), income sources are recorded as "Items or votes." When money is actually received, it is recorded in the Income book as 'ACCOUNTS'.
- Use Kigarama water project budget below to illustrate the point.

KIGARAMA WATER PROJECT BUDGET.

Vote/Item No.	INCOME	Money plan (Budget) Past Year	Actual Money received and spent Past year	Money Plan (Budget) Next Year
	Balance left from previous year	10 000	10 000	2. 000
Inc 1	Donations	20 000	15 000	22 000
Inc 2	Fundraising	70 000	59 000	75 000
Inc 3	User Fees	80 000	76 000	76 000
Inc 4	Connection Fees	20 000	30 000	40 000
Inc 5	Fines	20 000	12 000	10 000
		220 000	202 000	225 000
	EXPENDITURE			
EX 1	Tools	30 000	20 000	22 000
EX 2	Allowances	28 000	20 000	30 000
EX 3	Transport	25 000	30 000	36 000
EX 4	Stationery	15 000	20 000	20 000
EX 5	Spare Parts	80 000	70 000	80 000
EX 6	Training	20 000	25 000	20 000
EX 7	Emergency	22 000	15 000	15 000
	Balance		2 000	2 000
		220 000	202 000	225 000

While Kigarama water project budget indicated 'donations' as an Item/Vote with reference No.Inc.1, the actual money received from donations will be recorded on "DONATIONS ACCOUNT" in the Income book. This means that the committee will use 'Donations Account' to account for all the money received from different donors.

- The Cash book provides the information for the records in the Income book. It should be noted that not all the money recorded in 'money-in' column of the cash book represents Income. The cash balance left from the previous month, the money withdrawn from the bank and money received from debtors (i.e people or organisations who owe the water committee money) are not Income and therefore should not be transferred to the Income book.

An income book can be made using an exercise book a pen and a ruler. Each account could be given its own page in the book as under:-

● **INCOME BOOK:**

DONATIONS ACCOUNT Item/Vote No.INC.1.

Date	Description	CashBook Page No.	Amount

Each Account has the following features:-

1. Name of the Account:

The name indicates the Income source where the money came from e.g. "DONATIONS ACCOUNT".

2. Item/Vote number:

In front of the name of the account, there is an item or vote number which links the account with the money plan (budget). The number can be used as a reference to the budget when comparing actual money received and the amount budgeted.

3. Four column set-up (Table):

- 1. Date column - We record the date when the money was received.
- 2. Description column - We record the details of the money received including the name of the person who paid.
- 3. Cash book page number - The source of our records is the cash book. In this column, we record the page number of the cash book for reference purposes.
- 4. Amount column - We record the amount of money received.

● **EXPENDITURE BOOK:**

Expenditure book is used to record money paid out for a water supply expenses. While the amount estimated for each expense is recorded as an 'item/vote' in the money plan (budget), the actual money spent is recorded on an 'ACCOUNT' in the expenditure book. For example, in Kigarama water project budget, shown earlier, the budget indicated

Stationery as an 'item/vote' with reference number Ex.4 while the same is recorded on "Stationery Account" in the expenditure book. The stationery account will be used by the committee to account for all the money spent on stationery.

The cash book provides the information for the expenditure book. It should be noted that not all the entries found in the cash book money-out column, constitute expenses for the water supply. The money paid to the bank or the cash paid out to settle debts are not expenses and should not be transferred to expenditure book.

An expenditure book can be made using an exercise book, a pen and a ruler. Each account could be given its own page in the book as under:-

EXPENDITURE BOOK			
STATIONERY ACCOUNT Item/Vote No.Ex.4..			
Date	Description	CashBook PageNo.	Amount

Each Account has the following features:-

1. Name of the account:

The name indicates the expense concerned e.g. "STATIONERY ACCOUNT".

2. Item/Vote number:

In front of the name of the account, there is an Item/vote number which links the account with the money plan (budget). The number can be used as a reference to the budget when comparing actual money spent and the amount budgeted.

3. Four Column set-up(Table):-

1. Date Column - We record date when the money was spent.

2. Description Column - We record the details of the money spent including things like price, quantity and to whom the money is paid.

3. Cash Book Page No - The source of our records is the cash book. In this column we record the cash book page number for purposes of future reference.

4. Amount Column - We record the amount of money spent.

FACILITATOR'S STATEMENT

Now that Income on each item has been transferred to Income Book and Expenses on each item to Expenditure Book, It is possible to determine how much money was collected or spent on each account.

FACILITATOR'S GUIDE

● INCOME ACCOUNTS:

Income money from a particular income source is transferred from the cash book to income book according to the dates when it was received. At the end of a given period the amount received from that income source is added up and the amount is determined.

● EXPENDITURE ACCOUNTS:

Money spent is transferred from the cash book to various expense accounts in the Expenditure book according to dates when the money was spent. At the end of a given period the amount paid during that period is added up and the amount spent on that account is determined.

FACILITATOR'S QUESTION:

Having known the amount received or paid on each account, how do we find out whether the water committee made a "profit" or "loss"?

FACILITATOR'S GUIDE:

In order to find out whether a profit (surplus) or loss (deficit) was made a water committee prepares an Income and Expenditure statement as follows:-

- Add up the amounts from all the Income accounts to get total money received by a water committee during that period.
- Add up the amounts from all Expenditure Accounts to get total money spent for that period.
- Deduct Total Expenditure from Total Income. When total income exceeds total expenditure the result is a profit (surplus) and if total expenditure exceeds total income the result is a loss (deficit).

FACILITATOR'S QUESTION:

How do we record in Income and Expenditure books and now do we find out whether the water project made a profit or loss?

● **Example:**

Kamukungu water committee had recorded its cash book on page 20 for the month of December 1990 as follows:-

CASH BOOK: (Ref: Page 20)

Date	Description	Receipt/ Voucher No.	Money In	Money Out	Money Left
1 12 . 90	Balance left from previous month	c/d	1 500	-	1.500
3 12 . 90	Received donation from Mr. Kubula	R6	20.000	-	21.500
4 . 12 . 90	Paid Transport for Treasurer	V17	-	2.000	19.500
5 12 . 90	Paid Bank Loan	V18	-	3.000	16 500
6 . 12 . 90	Donation from Mrs Z Kato	R7	10.000	-	26.500
13 . 12 . 90	Received cash from a debtor	R8	4 000	-	30.500
15 . 12 . 90	Paid cash into Bank	C	-	20.000	10.500
30 . 12 90	Paid transport for sand	V19	-	4.500	6.000

N.B Item/vote number for 'donations' is inc. 4 from the money plan.

Item/vote number for 'transport' is exp.9 from the money plan.

**FACILITATOR'S
STATEMENT**

The tasks in this example would be to:-

1. Write the Income book
2. Write the Expenditure Book
3. Write an Income and Expenditure statement.

Let us work out this example together.

● The completed work should be as shown below:-

**INCOME BOOK:
DONATIONS ACCOUNT:Item/vote No.Inc.4**

Date	Details	Cash Page	Book No.	Amount
3 12 . 90	Received from Mr. Kubula	2 0		20.000
6 . 12 . 90	Received from Mrs. Zam Kato	2 0		10.000
	Total			30.000

EXPENDITURE BOOK
TRANSPORT ACCOUNT:Item/Vote No.Exp.9

Date	Details	Cash Page	Book No.	Amount
4 12 . 90	Transport for Treasurer	20		2.000
6 . 12 90	Transport for sand	20		4.500
	Total			6.500

N.B Note that the cash left from the previous month, the cash paid into the bank, the cash paid into the bank, the money paid for loan and the money received from a debtor are not recorded in the income and expenditure books. They are neither income nor expenditure.

INCOME AND EXPENDITURE STATEMENT
FOR THE MONTH OF DECEMBER 1990

Total Income

1. Donations Shs. 30.000

Total Expenditure

1. Transport Shs. 6.500

PROFIT (surplus) Shs. 23.500

● Group Exercise

Budu Water Point:
CASH BOOK:(Page 92)

Date	Description	Receipt/ Voucher No.	Money In	Money Out	Money Left
1 . 12 . 90	Money Left	c/d	20.000	-	20.000
2 . 12 . 90	Donation from Samula	R10	20.000	-	40.000
4 . 12 . 90	Fundraising	R11	6.500	-	46.500
10 . 12 . 90	Cash banked	C	-	35.000	11.500
14 . 12 . 90	CBW allowance	V29	-	1.000	10.500
15 . 12 . 90	User fees from Kato	R12	2.000	-	12.500
16 . 12 . 90	Donation from Bagi	R13	10.000	-	22.500
17 . 12 . 90	Transport	V30	-	3.500	19.000
18 . 12 . 90	Stationery	V31	-	2.500	16.500
20 . 12 . 90	Fundraising	R14	3.000	-	19.500
21 . 12 . 90	Cash from Bank	C	10.000	-	29.500
22 . 12 . 90	CBW allowance	V32	-	3.000	26.500
23 . 12 . 90	User fees from Kidu	R15	4.000	-	30.500
24 . 12 . 90	Stationery	V33	-	9.000	21.500
26 . 12 . 90	Transport	V34	-	3.000	18.500
30 . 12 . 90	Workers' allowance	V35	-	4.000	14.500

The reference from the money plan (budget) are as under:-

1. Donations - Inc.44
2. Fundraising - Inc.46
3. User fees - Inc.50
4. Workers' allowance - Exp.142
5. Transport - Exp.143
6. Stationery - Exp.160

Task:

1. Write income and expenditure books showing totals for each account for the month of December 1990.
2. Write an income and expenditure statement for the month of December 1990.

● Completed Group Exercise:

Task 1

INCOME BOOK

DONATION ACCOUNT Item/Vote No.-Inc.44

Date	Description	Cash Book Page No.	Amount
2 . 12 . 90	Money received from Mr. Samula	92	2.0.000
16 . 12 . 90	Money received from Mr. Bagi	92	10.000
	Total		30.000

FUNDRAISING ACCOUNT Item/Vote No Inc.46

Date	Description	Cash Book Page No.	Amount
4 . 12 . 90	Money received fundraising	92	6. 500
20 . 12 . 90	Money received fundraising	92	3. 000
	Total		9. 500

USER FEES ACCOUNT Item/Vote No Inc.50

Date	Description	Cash Book Page No.	Amount
15 . 12 . 90	Money received from Kato	92	2.000
23 . 12 . 90	Money received from Kidu	92	4.000
	Total		6.000

EXPENDITURE BOOK
WORKERS' ALLOWANCE ACCOUNT Item/Vote Exp.142

Date	Description	Cash Page	Book No.	Amount
14 . 12 . 90	Paid cash to a mechanic	9 2		1.000
22 . 12 . 90	Paid cash to a mechanic	9 2		3.000
30 . 12 . 90	Paid cash to a mechanic	9 2		4.000
	Total			8.000

STATIONERY ACCOUNT Item/Vote Exp.160

Date	Description	Cash Page	Book No.	Amount
18 . 12 . 90	Paid cash for receipt books and pens	9 2		2.500
24 . 12 . 90	Paid cash for reams of paper	9 2		9.000
	Total			11.000

TRANSPORT ACCOUNT Item/Vote Exp.143

Date	Description	Cash Page	Book No.	Amount
18 . 12 . 90	Paid cash for transport	9 2		3.500
24 . 12 . 90	Paid cash for transport	9 2		3.000
	Total			6.500

Task 2

INCOME AND EXPENDITURE STATEMENT AS AT 31.12.90
INCOME:

INCOME	
1. Donations	Sh.30.000
2. Fundraising	Sh. 9.500
3. User fees	<u>Sh. 6.000</u>
TOTAL INCOME	Sh.45.000

LESS	
EXPENDITURE	
1. Workers' Allowance	Sh. 8.000
2. Stationery	Sh.11.500
3. Transport	<u>Sh. 6.500</u>
TOTAL EXPENDITURE	Sh. 26.000

Total Income - Total Expenditure = Profit (Suplus)
Sh. 45,000 - Sh. 26,000 = Sh.19.500

6) PLENARY

- Groups present their work
- Discuss group work
- Make a **resolution** on keeping Income and Expenditure Books records.

CONCLUSION:

Without proper money records, it would be very difficult for a water committee to account for the member's money used according to an approved money plan (budget). We discussed how Income and Expenditure books are recorded using information found in the cash book; how money received or paid for each item is found and how to determine whether a water committee made a profit (surplus) or a loss (deficit). Finally we worked out a practical exercise on how to make an Income and Expenditure Statement.

It is important, therefore, for a water committee to write up Income and Expenditure Books and make an Income and Expenditure statement in order to account for the money used and also know when the committee overspent or not.

PART THREE:

CHECKING

INTRODUCTION

In the previous phase, we discussed how money could be received, used, recorded and accounted for by a water committee. In the process of money coming in and going out, a lot of things could go wrong due to human errors or sometimes due to deliberate actions. In order to correct some of these mistakes or put some people's minds at ease, checking on water committee's money records may be necessary.

In the third and last part of this guide, we shall discuss how checking money records can be done and how to present the report to the council. The first session covers the reasons for checking; the people who do the checking and the common mistakes made when recording money. The last session shows how a water committee could prepare for presentation of the report.

This session brings us to the end of the third stage of financial management commonly known as "AUDITING".

SESSION 3.1

Checking Money Records

OBJECTIVES:

At the end of the session participants should be able to:-

- explain reasons for checking money records.
- identify suitable people to do the checking.
- identify when checking should take place.
- identify documents to be checked.
- identify some common mistakes made when recording

TIME:

2 hours.

MATERIALS:

Chalk, Chalk board, 12 newsprints, 2 markers, masking tape, exercise books, pens, group exercise.

SESSION GUIDE

1) Proverb

There is a Runyankore proverb which says "*ku ota nyoko omukarugu totayo rumuri*". The direct translation of this proverb is 'If you have let your mother into your inner room, don't torch light there'. An inner room is a place where one's valuables are kept. The proverb, therefore, means that you should never bother to check on your mother when she is doing work for you.

**FACILITATOR'S
QUISTIONS**

- What did you hear?
- Have you ever heard of this proverb?
- Do you have a similar proverb in your language? Can we share it?
- What does it mean?
- Is the saying correct?
- What are the reasons for checking on the mother?

- Should we check on people we trust?
- Why ?

FACILITATOR'S GUIDE

- We have heard a saying about a mother and her child.
- Some participants may have heard it and others may not.
- The proverb means that when your mother is doing a job for you, you should never bother to check on her because she is trusted.
- The saying may not always be correct.
- It may be necessary to check on your mother because she may be facing problems due to:-
 - Lack of time
 - Sickness
 - Old age
 - Lack of knowledge
 - Lack of things to use or to encourage her if she is doing well.
- There are instances when we should check on the work done for us by people we trust.
- Therefore there is a need to check on the mother.

CONCLUDING REMARKS:

Just as it is important to check on your own mother, though she enjoys your full confidence and trust, it is also necessary to check on water committees' work.

2) FACILITATOR'S QUESTION

Now that we have established the need for checking, what could be the reasons for checking money records?

FACILITATOR'S GUIDE

- To identify and correct mistakes
- To prevent misuse of money
- To find out whether money is well kept
- To build confidence and trust in the community that their funds are well

managed. This could encourage them to contribute.

- To build confidence in the committee that they are performing well
- To check on progress
- To get an outsiders' view or opinion.

3.FACILITATOR'S QUESTION

How can we identify the person to check money records?

FACILITATOR'S GIUDE

- A person to check

Qualities:

1. Preferably to come from outside user-community so that he does not take sides.
2. The person should be trusted and respected by both the committee and the user-members say a religious leader, a chief or an elder.
3. Should have knowledge of book-keeping, say a retired Treasurer, school Bursar, Accountant or Manager.
4. A person may be a member of the committee or an ordinary member respected by the public. The person selected should neither be the chairman nor the treasurer.

Appointment

- 1 The person selected to check could be appointed by the community council or users' representatives.
- 2 The person selected may do the work free or be paid a small amount of money by the committee.

4)FACILITATOR'S QUESTION

We have seen the need for a person to check water committee money records. When should the checking take place?

FACILITATOR'S GUIDE

(Depends on circumstances)

- Before the Annual General Meeting.
- In case of conflict.
- When directed by users, their representatives or local authorities.
- When invited by the water committee.
- When there is a change in committee leadership.

5) FACILITATOR'S QUESTION

What is needed in checking money records?

FACILITATOR'S GUIDE

- Receipts
- Vouchers
- Cash book
- Income book
- Expenditure book
- Cheque book
- Bank-in-slips
- Bank statement
- Money plan (budget)
- List of debtors (people who owe money to the water committee)
- List of creditors (people or organisations to whom the committee owes money)
- Minute book/file for minutes
- Muster-roll book (attendance register)
- Income and expenditure statement
- Community workers
- Committee members
- User community members
- Local Authorities

6) FACILITATOR'S QUESTION

What are the common mistakes made when handling or recording money?

FACILITATOR'S GUIDE

- Errors due to wrong additions or subtractions
- Missing a record for money received or money paid
- Writing wrong figures e.g. instead of Shs.354/= some one writes Shs.345/=
- Mixing personal cash with that of the water committee.
- Recording money received as money out and vice versa
- Posting errors - these are mistakes made when transferring information as follows:-

1. From receipt and vouchers to cash book
2. From cash book to Income and Expenditure books
3. From Income and expenditure books to income and expenditure statement.

7) GROUP WORK

- Divide participants into two groups A & B
- Issue them with Group Exercise

GROUP EXERCISE

On 1/6/91 Kabahasha water committee had Shs.20,000/= in their cash box. The following transactions took place during the month of June 1991.

2.6.91	Received donation from Mr.Mukasa on receipt No.5	Shs.3.268/=
4.6.91	Paid for spare parts on voucher No.16	15.000/=
6.6.91	Received user-fees from Mr.Tendo on receipt No.6	2.500/=
8.6.91	Received Government grant on receipt No. 7	30.000/=
16.6.91	Paid Workers' allowance on voucher No.17	2.000/=

The Treasurer transferred the information to the cash book as follows:-

Date	Description	Receipt/Voucher No.	Money In	Money Out	Money Left
1.6.91	Balance	c/d	20.000	-	20.000
2.6.91	Donations from Mukasa	R5	3.862	-	23.862
4.6.91	Spare Parts	V16	-	-	8.862
6.6.91	User fees from Tendo	R6	2.500	15.000	13.362
8.6.91	Government grant	R7	30.000	-	43.362
16.6.91	Workers Allowance	V17	2.000	-	45.362

Task:

1. List the mistakes made
2. Re-write the cash book

COMPLETED GROUP EXERCISE

Task 1: Mistakes made by the Treasurer

Date:

2.6.91 Received Shs.3268/= but recorded Shs.3862/=

16.6.91 Shs.2000/= paid for Workers' allowance was recorded in money-in column instead of money-out column.

8) PLENARY

- Groups present their work
- Discuss group work
- Participants make a **resolution** on the need to have someone to check on their money records.

9) CONCLUSION

The proverb at the beginning brought to light the need for checking even people whom we trust and have confidence in like our own mothers. We looked at the reasons for checking money records and identified those documents which are checked. We identified some common mistakes made when recording money and the people who should do the checking. We discussed when checking could be done and finally carried out a simple check on cash book records.

It is very important for an independent person to check on the records. The person who checks money records is also called the AUDITOR.

SESSION 3.2

Presenting A Report After Checking Money Records

OBJECTIVES:

At the end of the session participants should be able to:-

- explain the reasons for presenting the report.
- identify to whom the report is presented.
- describe some characteristics of the report.

TIME:

1 hour.

MATERIALS:

Chalk, chalk board, 10 newspapers, 2 markers, musking tape, exercise books, pens.

SESSION GUIDE:

**FACILITATOR'S
INTRODUCTORY
REMARKS:**

In the previous session we discussed the need for checking and the people who should check water committee money records. Usually after checking, a report is written.

Now that a report has been made, to whom do we present the report?

FACILITATOR'S GUIDE.

- The report could be presented to the user-community council at the Annual General Meeting.
- It could be presented to local authorities
- It may be presented to the water committee
- It could be presented to members or their representatives after a conflict during a special general meeting.
- A report may be presented to bankers or donors.

**2)FACILITATOR'S
QUESTION**

What could be the reasons for presenting the report?

FACILITATOR'S GUIDE

● To members during Annual General Meeting

- The report may explain to members whether the committee handled their money properly or not, since they are the owners of the water supply.
- Bye-laws, may require committee members to make and present such a report to the council.
- It may be a requirement of the local authorities.
- If it is a good report it builds confidence that their affairs are well managed and may mobilise a community for increase support to their water supply.
- It may assist members to decide whether to retain or remove the committee during election.

● To Local authorities

- May need the report to make sure that 'public money' is well protected.
- May want to know the progress on the water supply e.g. as periodical assessment of the general development of the area.
- May want to know how the water project is managed e.g. for purposes of allocating money when making their budget.

● To the water committee

- An audit report may assist the committee to strengthen areas of weakness in the management of money.
- The report may assist the committee to account for money to users or local authorities.
- A good report may encourage and build confidence in members and thus become more efficient.

● To members or their representatives during a Special General Meeting

- The report may assist to resolve conflicts which may have arisen regarding use of money.

● To bankers or donors

- A good report could assist the committee to obtain money either from bankers or donors.

3) FACILITATOR'S QUESTION

Having discussed the reasons for presenting the report, what are the characteristics of a good report?

FACILITATOR'S GUIDE

- A good report should look at the past audit report and comment on actions taken.
- The report should not emphasise the weak side only. Where the committee has done well, the report should say so.
- It should be free of bias.
- It should not express personal opinion.
- It should be limited to facts, brief and to the point.
- It should contain recommendations for improvement.
- The report should be presented within a specified time.

RESOLUTION:

Participants should make a **resolution** on need to present an audit report.

CONCLUSION

We have discussed the reasons why it is necessary to present a report after checking money records; we identified to whom the report could be presented and described some of the characteristics of a good report. We also made a resolution on presenting the report.

A report made after checking money records is also called an "AUDITREPORT".

ANNEX A

PRE-TEST QUESTIONNAIRE ON HOW TO PLAN, COLLECT, USE AND LOOK AFTER MONEY.

[Put a tick () against the right response(s)]

1. Why is it necessary to have a money plan?

- To
- (a) find out the various sources of money.
 - (b) find out the cost of activities.
 - (c) identify the activities to be done.
 - (d) keep it for future reference.

2. What is a money plan?

- (a) An estimate for Income and Expenditure.
- (b) A programme for the future
- (c) An estimate of materials required.
- (d) Future expenditure.

3. What things are likely to change money plans?

- (a) Disease
- (b) Inflation
- (c) Games
- (d) General Elections

4. List 4 ways of raising money.

- (a).....
- (b).....
- (c).....
- (d).....

5. Why should a committee seek approval from members before spending money?

- (a) To show members that the committee can plan.
- (b) To get clearance because the money belongs to members.
- (c) To avoid future conflicts between the committee and members about money.
- (d) To get permission to assist the committee on their domestic problems.

6. Which document is used to make first records for money received?
- (a) Voucher
 - (b) Cheque
 - (c) Receipt
 - (d) Bank-in-slip
7. Where do we first record , money paid out?
- (a) Cash book
 - (b) Voucher
 - (c) Ledger
 - (d) Invoice
8. What are the reasons for opening a bank account?
- (a) To obey the law
 - (b) The public will respect our water project
 - (c) Money is safe in the bank
 - (d) Money may increase due to interest
9. Name three types of Bank Accounts.
- (a)
 - (b)
 - (c)
10. The documents used to bank money are
- (a) Receipts
 - (b) Bank accounts
 - (c) Vouchers
 - (d) Bank-in-slips
11. What is a cash book
- (a) A book for recording money received, money paid and money left.
 - (b) A book which keeps cash
 - (c) A book for recording cash in the bank
 - (d) A book which records all the transactions.
12. (i) What are the reasons for checking money records?
- To: (a) Catch thieves
 - (b) Correct mistakes
 - (c) Build confidence in the committee
 - (d) Find faults

(ii) Is it necessary to present the report of the checked money records to the council?

- (a) Yes
- (b) No
- (c) Uncertain

(iii) Give reasons for your answers

.....
.....
.....
.....

ANSWERS

- 1). All are correct
- 2). a
- 3). b & c
- 4).
 - 1. User fees
 - 2. Fundraising-e.g. Auction sales
 - 3. Fines
 - 4. Government grants
- 5). b & c
- 6). c
- 7). b
- 8). c & d
- 9).
 - 1. Current account
 - 2. Savings account
 - 3. Fixed deposit account
- 10). d
- 11). a
- 12).
 - (i) b & c
 - (ii) b
 - (iii) To inform them about how their money is managed.

HELPING WATER USERS PLAN, COLLECT AND LOOK AFTER MONEY

ENGLISH	RUNYANKOLE/RUKIGA	RUNYARWANDA	LUKONZO	LUGANDA
OBJECTIVES	EBIGYENDERERWA	IBIGYENDERERWA	EKIGHENDERERWA	EBIGENDERERWA
BUDGET/ESTIMATES	EMBARIRA	AHO UMUTUNGO UZAVA NUK'UZAKORESHWA	EMBARIRIRA	EMBALIRIRA Y'ESSENTE
PLAN	ENTEBEKANISA	OMUGAMBI	ERITHEGHEKA	ENTEKATEEKA
INCOME	ENTASYA	IBYINSIWE	EBINDU EBIKALETHERA OMUNDU	
EXPENDITURE	ENSHOHOZA	IBISOHOTSE	ERITHUNGO ERIHULHUKYA	ENFULUMYA/ENSAASANYA
FEES	EBICHWERRO	INYUSHU	ENDIHI	EBISALE/ESSENTE ENSALIRE
FINE	OMUTANGO	IGIHANO	ERIKUHA	OMUTANGO
DONATION	OKWIRUKIRIRA	IMPANO	AKAKONGE	OMUTEMWA GWOKUDDUKIRA
RECEIPT	ORUPAPURA RWOKUHAMYA OKWAKIRWA KWA SSENTE	URUPAPURA RWEREKANI ISENTE ZAKIRIWE		ALISITI
VOUCHER	ORUPAPURA RWOKWIKIRIZA SENTE KUSHOHORA	URPAPURA RWEREKANI ISENTE ZISOHOTSE	AKAKONGE AKABAKASASURIRAKO	AKAPAPULA AKAKASIBWA ENFULUMYA YA SSENTE
CHEQUE	KYEKI	ISHASHULA YISENTE Z'OMUBUBIKO	EHEKI	KYEKE
SIGNATURE	OMUKONO (EKINKUMU)	UMUKONO	ERIHAMYA	OMUKONO/EKINKUMU
TRESURER	OMUBIIKI	UMUBITSI	OMUBIIKI	OMUWANIKA
ACCOUNT	ENSHAHO YA SENTE	ISHAHO	ENAMBA EYIRIBIRAKO ESIOSENTE	AKAWUNTA/ENSAWO
SAVINGS ACCOUNT	ENSHAHO ERIKUREETA AMAGOBA	ISAHO IZANA AMAGOBA	WAMABIKI ESYOMBULHU OMWABANK	ENSAWO ENDYANGA EREETA AMAGOBA
CURRENT ACCOUNT	ENSHAHO WOKWIHAMU AHU WAYENDERA	ISHAHO YOGUKORWAMU AHO USHAKIYE	AMAGOBA AKATHWLHAWA EBANK	ENSAWO/ENDYANGA GYOJAMU ENSIMBI BULI WOKWA OYAGALIDDE
BANK ACCOUNT	ENSHAHO YOMWIBIKIRO RYA SENTE	ISHAHO UBUBIKO BWISENTE	ENAMBA EYIRIBIKIRAKO ESIOSENTE OMWABANK	AKAWUNTA Y'OMUBANKA ENSAWO Y'OMUTEREKERO LYA SENTE
REGISTRATION CERTIFICATE	OBUHAME BWOKUHANDIKWA	IKYEMEZO KYOKWANDIKWA	ERIHANDIKWA OBWAKAISO	EBBALUWA Y'OBUWANDIIKE
GENERAL MEETING	ORUKIIKO RWA BOONA	URUKIIKO RWABOSE	PLHUKUTATHU BULIMUNDU AKAIRIKIRAMU EKIRINDI	OLUKIIKO LWABONNA
PAYEE	ORIKUSHASHURWA	UWISHURWA	OMUNDU OYUKALIHA	ASASULWA
PAYER	ORIKUSHASHURA	UWISHURA	OMUNTU OYUKALIHA	ASASULA
CASH BOOK	EKITABO KY'ENTASYA N'ENSHOHOZA	IGITABOCHEREKANI UKWISENTE ZINZIWE NUKO ZAKORESHEJWE	EKITABU EKYABAKAHANDIKAMU	EKITABI KYENYIGIZA NENFULUMYA YA SENTE
INCOME BOOK	EKITABO KY'ENTASYA	IGITABO CHIBINJIWE	ERYOSENTE ESYABAKAKOLHA	EKITABO EKIRAGA ENYINGIZA
EXPENDITURE BOOK	EKITABO KY'ENSHOHAZA	IGITABO CHEREKANI IKWISENTE ZAKORESHEJWE	EKITABO EKYABAKANDIKAMU	EKITABO EKIRAGA ENFULUMYA /ENSAASANYA
TRANSACTIONS	EBIKUKORWA	IBIKORWA	EMIRINGO	EBIKOLWA
BANK MANAGER	OMUKURU WIBIKIRO RWA SENTE	UMUKURU UBUBIKO BWISENTE	MUKHULU WE BANK	OMUKURU WA BANKA
CASHIER	ORIKWAKIRA N'OKUSHASHURA SENTE	UWAKIRAWUTANGA SENTE	OYUKABARA,OYUKAGHABA	KAASIYA
CROSSED CHEQUE	ORUPAPURA RWOKUSHASHURA KURABA OMUNSHAHO YOMWIBIKIRO	URUPAPURA RWOGUSHASHURA SENTE ZIVA MWISHAHO	ESYOMBULA OMWABANK	KYEKE ESASULIBWA KU AKAWUNTA
DENOMINATION	ESENTE OMUBUGUZI BWAZO	UBUNINI	MWACASI	EMITENDERE GYA SENTE OMUBUNGI BWAZO
CREDIT	OKWONGERA SENTE OMUNSHAHO	ISINTE OMUBITSI YENJIJE	ERBIKA	KWONGERA SENTE KU AKAWUNTA
DEBIT	OKUTUBWA SENTE Z'OMUNSHAHO	ISENTE UMUBITSI YISHUYE	ERUHULHUKYA KWESI ERHAYO ESYOSENTE	OKUTOOLA KU SSENTE KU AKAWUNTA
BALANCE	ESENTE EZASIGARA OMUNSHAHO	ISENTE UWABIKISHIJE ASHIGAJE	ESIKASIGHALHAHO	SSENTE EZISIGALAWO/ENFISSI
BANK STATEMENT	ORUPAPURA RURIKWOREKA ESENTE EZIRUGIRA NEZIGAIRE OMUNSHAHO	URUPAPURA RWEREKANI ISENTE ZISIGAYE HAMWE NIZAKOWEMU MWISHAHO		OLUPAPULA LWA BANKA OLULAGA ENYINGIZA N'ENFULUMYA
SOURCES OF FUNDS	OBURUGO BWA SENTE	ISOKO YUMUTUNGO	AHAGHIKIHA ESYOMBULU	
DEBTS	AMABANJA	IMYENDA	AMABANZA	AMABANJA
USE OF FUNDS	ENKOZESA YA SENTE	UKWISENTE ZAKORESHEJWE	NGOKWAGHUKAKOLESA YA ESYOMBULHU	ENKOZESA Y'ENSIMBI
PARTICULARS	ENSHOBORORA MWIBIKIRO	IBYANGOMBGA URUPAPURA RWOGUSHASHURA SENTE	KYONYININYINI	ENNYINYONYOLA
COUNTER FOIL	AKAKONGI	IGISHITI	OMWAKATABU AKICHEKI	AKAKONGE

ANNEX C

NON-TRADITIONAL BANKING METHODS

Most of the water user-communities in Uganda, are located in rural areas, where banking facilities are very poor or non-existent. Water committees charged with responsibilities to look after water project money, may not be aware of the advantages for operating a bank account or may reject banking for the following reasons:-

- The water project may not have money worth keeping in the bank.
- Banks have many requirements before allowing a water project to open an account.
- A lot of time is wasted when taking money or withdrawing it from the bank.
- The water committee may not have access to money kept in the bank for emergency cases during weekends, holidays, or at night.

For some of these reasons, committees may prefer to keep project money in other forms other than the traditional way of keeping it in a bank.

OTHER WAYS OF KEEPING WATER PROJECT MONEY

● Keeping money in Animals

A water committee could buy animals such as cattle or goats, rear them and sell them later. The money obtained from such sales at a later date could be used to assist water committee on future maintenance.

● Keeping money in land

The money could be used to buy land and use it to grow crops which could be harvested and sold at a later date. Besides growing crops, water committees could plant trees which could be harvested after a long time to meet long term maintenance costs.

● Keeping money with members in savings and credit schemes

The money at the source could be lent to user community members for a defined period and at reasonable interest rate. As the loans mature, the members repay the loans plus interest to the water committee. The list for non-traditional banking methods can be expanded by any water committee depending on the opportunities available and realities in that locality.





