

**ASSOCIATION OF REAL ESTATE PROFESSIONALS OF
TANZANIA**



Financial Policy Document

2021 Version

The Financial Policy Document shall be reviewed and updated once every calendar year, or as it shall be necessary and demanded by the General Meeting.

The Document shall be read and interpreted in tandem with the AREPTA Constitution and the Rules

Document Approval

Version	Purpose and description of amendment	Date Authorized	Authorized by
0.1	Draft Financial Policy Document	DRAFT	DRAFT
0.2	Financial Policy Document	20/07/2021	Treasurer
0.2	Financial Policy Document	10/08/2021	The Council
0.2	Financial Policy Document	27/08/2021	AGM

ASSOCIATION OF REAL ESTATE PROFESSIONALS OF TANZANIA (AREPTA) - FINANCIAL REGULATIONS

1.0. **General Provisions**

- 1.1 These Financial Regulations shall govern the conduct of the financial transactions of the ASSOCIATION OF REAL ESTATE PROFESSIONALS OF TANZANIA (AREPTA) and may only be amended or varied by resolution of the company' s' General Meeting, and in an event of amendments an absolute majority shall be used.
- 1.2 The Association' s Treasurer shall be a *Responsible Financial Officer* (herein after referred to as the *RFO*), and she or he shall be responsible for the proper administration of the organization' s financial affairs.
- 1.3 The Treasurer together with the Council shall be responsible for the production of financial management information to be tabled and discussed at Council' s and AGM's regular meetings as per its policies.

2.0 **Annual Estimates**

- 2.1 Detailed budget estimates including estimates of income and expenditure (revenue, services, grants and payments) shall be prepared each year by the Council.
- 2.2 The RFO shall make the estimates and submit them to the AREPTA's General Meeting not later than three months following the end of the financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.3 The approved annual expenditure and revenue budget plans shall form the basis of the financial control for the ensuing year.

3.0 Budgetary Control

- 3.1 No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget, unless a cost has been approved by the Council with proper documentation.
- 3.2 The RFO shall periodically provide the Council with a statement of income and expenditure to date under each major budget category or budget line of the approved annual revenue and expenditure budget lines.
- 3.3 Any other Council member may incur and/or approve expenditure on behalf of AREPTA which is necessary to carry out any activity, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of TZS. 1,000,000.00. Such Council member shall document and report the action to the appropriate RFO or the Council as soon as it is practicable thereafter.
- 3.4 Where expenditure is incurred in accordance with regulation 3.3 above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Council.
- 3.5 Unspent provision in the revenue budget shall be carried forward to a subsequent year.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on account unless the Council is satisfied that it is contained in the mission and objectives or approved AREPTA program, and that the necessary funds are available, or the requisite borrowing approval can be obtained.

4.0 Accounting and Auditing

- 4.1 All accounting procedures and final records of AREPTA shall be determined by the Treasurer in consultation with the professional auditor appointed by the AGM.
- 4.2 The Council shall be responsible for preparing the annual accounts of AREPTA as soon as practicable after the end of the financial year and shall submit then to and report thereon to the Annual General meeting.
- 4.3 The following principles shall be observed in connection with the accounting duties.
 - a) The duty of recording sums due to, or from, AREPTA, should be separated as completely as possible from the duty of collecting or dispersing them. The Treasurer shall not cancel-off by way of balancing records of payment and receipts amounts related to one party.
 - b) An officer charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4 The RFO shall be responsible for maintaining an adequate and effective system of internal controls of the AREPTA's accounting, financial and other operations.

4.5 Any officer or member of the Association shall, if the RFO requires, make available such documents to the Association which relate to their accounting and other records as required by the RFO to be necessary for the purpose of the accounting, and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

5.0 Banking Arrangements and Cheques

5.1 The AREPTA's banking arrangements shall be made by the RFO and approved by the Council, including digital mobile accounts and current Accounts. Out of the current accounts one shall be in local Tanzanian shillings and the other shall be held in USA dollars.

5.2 A schedule of the payment of money shall be prepared by the accounts/operations officer and together with the relevant invoices be presented to the General Secretary. If the schedule is in order, it shall be authorized by a resolution and signed by the Treasurer or Secretary General in consultation with the President.

5.3 Cheques drawn on the bank accounts shall be in accordance with the schedule referred to in the previous paragraph, shall be signed by two approved signatories to the AREPTA's bank accounts.

5.4 For improvement of financial control's where the balance retained in the digital mobile accounts or cash collections exceeds TZS. 1,500,000.00 (One Million, Five Hundred thousand), the balance shall be immediately transferred to the bank accounts. If there is necessity for holding excessive cash balances a permission shall be sought from the Council.

6 Payment of Accounts

- 6.1 Apart from petty cash payments, all payments shall be affected by cheque or other order (e.g., direct debit,) drawn on the AREPTA' s bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO or his/her designated officer. Before certifying the payment AREPTA shall satisfy itself that the work, goods or services to which the invoice(s) relate have been received, carried out, examined and approved as been correct.
- 6.3 All duly examined invoices will then be entered on the schedule referred to in 5.2 above.
- 6.4 The RFO may provide petty cash to the tune of TZS. 500,000.00 to officers for the purpose of defraying operational and other expenses. Vouchers for payment made shall be forwarded to the RFO with a claim for reimbursement. The RFO must observe the following;
 - a) Any personal money the RFO uses for defraying operational and other expenses shall be reimbursed in full. Vouchers for payment made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be shown separately on the schedule of receipts.

7. Remuneration of AREPTA's Council Members on Duty

- 7.1 AREPTA staff, members and consultants on contracted duty or assignment in Tanzania are allowed to receive a per diem allowance ranging from TZS. 60,000 up to TZS.120,000, depending status of the location as town, municipality or city for each overnight stay out of working station or home. The per diem should be regarded as adequate to cover all accommodation, food, incidentals and beverages. For clarification;
 - a) Council Members shall be paid TZS.100,000 for per diem in towns and municipalities and shall be TZS. 120,000 in cities.
 - b) Supporting staff shall be paid TZS. 60,000 for per diem in towns and municipalities and shall be TZS. 80,000 in cities.
- 7.2 AREPTA will pay per diem for any other individuals working with the Association on specific assignment in line with the rates established and payable by the Government of Tanzania considering appropriate location for the assignment.
- 7.3 With determined and standard rates for per diems, there will be no need for receipts from the traveler. However, the traveler will be expected to submit activity and/or trip report (s) detailing the trip objectives, accomplishment and places visited. For avoidance of doubt, the travelers will be required to submit evidence of travel including; tickets for ground and sea travel and boarding pass for air travel.

8. Payment of Transport Expenses

- a) The Council shall assume a necessary provision that it shall financially or otherwise enable the staff, and council members and/or consultant(s) with a return cost effective, efficient and reasonably comfortable transport from home or hotel to destinations of contracted duties assigned by the Council.
- b) In the event that AREPTA consultants, staff and Council Members are required to make their own Council -approved arrangements to places of approved duty stations, then the AREPTA consultant(s), staff and Council Members shall provide an invoice with authentic transport tickets or transport hire receipts for reimbursement by the Council.
- c) In situations where the work is done outside the Association' s designated offices includes travel costs, transport arrangement will be done internally with support from the operations/office assistant. The arrangement should consider most reasonable, efficient and cost-effective options.

9. Income

- 9.1 The collection of all sums due to the AREPTA shall be the responsibility of, and under the supervision of, the Association' s RFO.
- 9.2 Particulars of all members subscriptions, grants and donations made by stakeholders, conference and training fees, other fees, services rendered or goods supplied shall be notified to the RFO, and the RFO shall be ultimately responsible for the collection of all accounts due to the AREPTA.
- 9.3 AREPTA will review all fees and charges annually, following a report from the RFO and the General Secretary.
- 9.4 Any bad debts and unpaid monies shall be reported to the Council and the AREPTA's Annual General Meeting.
- 9.5 All sums received on behalf of AREPTA shall be paid to the RFO for banking and be deposited with the AREPTA' s bankers with such frequency as the RFO considers necessary and in line with rule 5.4.
- 9.6 All sums received must be recorded and a specific fiscal receipt must be issued against it.
- 9.7 Membership fees shall be payable annually differently depending on the membership category as follows;
 - a) A Fellow or an Associate member shall pay a subscription of TZS. 100,000
 - b) A Corporate member shall pay a subscription of TZS. 300,000
 - c) A Student or Affiliate Member shall pay TZS. 20,000
 - d) A Honorary member shall pay TZS. 200,000
- 9.8 The Council shall review these rates appropriately and may waive part or whole of the fees to any member(s). However general the changes in rates shall have to approved by the Annual General Meeting.

10.0 Orders for Work, Goods, and Services

- 10.1 The RFO or the operations assistant shall raise an official order or letter for all work, goods and services to be approved by the Secretary General or his/her delegate unless a formal contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases. Copies of orders issued shall be maintained in filing.
- 10.2 Order books shall be controlled by the RFO
- 10.3 All Council members, associates and officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.
- 10.4 AREPTA shall not assume any responsibility for contracts entered into without a prior approval of the Council.
- 10.5 No payments shall be made without being accompanied by an approved order, supplier legitimate invoice and payment voucher.

11 Contracts

- 11.1 Every contract whether made by the AREPTA Council or by the consultant to whom the power of making contracts has been delegated shall comply with the following terms;
- (i) shall not create legal complications on the organization likely to result into undue liabilities
 - (ii) shall not result to contracts that AREPTA may not have the requisite capabilities to execute effectively and efficiently
 - (iii) shall have to demonstrate a return on investments or optimal benefits to AREPTA

12 AREPTA Properties, Equipment and Custody of Contracts

- 12.1 The AREPTA RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by AREPTA. The RFO shall ensure that a record is maintained of all properties owned by AREPTA, recording the location, extent, plan, reference, purchase details, nature of the interest, rents payable.
- 12.2 No property shall be sold, leased or otherwise disposed of without the Authority of the AREPTA General meeting.
- 12.3 The RFO shall effect all insurances and negotiate all claims on the AREPTA's insurers in consultation with the Council.
- 12.4 The RFO shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurance.
- 12.5 The RFO shall keep a record of all insurances affected by AREPTA and the property

and risks covered thereby and annually review it and inform the managing Director.

- 12.6 The RFO shall be notified of any loss, liability or damage or of any contingent event likely to lead to a claim.
- 12.7 AREPTA's Properties and Equipment shall be valued after every two years and the same shall be depreciated in accordance to the capital depreciation schedule used by the Tanzania Revenue Authority.