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When there is no Accountant: A Handbook for Managing Cash Resources in an Emergency

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# CHAPTER 1: Handbook Overview

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## Introduction

This handbook provides guidance and tools for setting up a cash financial system during the initial stage of an emergency. CRS Emergency First Responders (EFRs) can establish a temporary, compliant finance system that will develop into a more comprehensive system and eventually feed into the Country Program’s SUN Financial Management System.

One EFR will serve as the Operating Cash on Hand (OCH) custodian responsible for finance management when an accountant is not available. The OCH Custodian documents all transactions, ensures accuracy and transparency of the financial activities, and safeguards cash resources. Once a financial professional arrives at the field office, s/he will establish additional financial management and control systems to further reduce risk and strengthen compliance.

## Acknowledgements

Much of the information and tools contained in the handbook are based on recent experience and lessons learned from recent CRS emergency responses in Aceh, Haiti, Iraq, Sri Lanka, India, Pakistan, Darfur, and the Eastern Congo. In some cases, the Handbook may have adapted work from partner agencies or other sources.

This Handbook would not have been possible without the vision and efforts of Dave Coddington. Many sections of the Handbook are based on a draft he developed based on his extensive emergency response experience and his dedication to quality management. Joe Potyraj and Syon Niyogi were also major contributors to the development of this Handbook; their unfailing dedication and work ethic have made this initiative possible. Additional contributions to the overall content and design were made by Sona Drewery and Rick Estridge.

## How to use this Handbook

This handbook provides appropriate guidance and relevant tools to set up a simplified, compliant financial system in the initial stage of an emergency. All staff need to understand the system, how it works and how it affects their role as finance, program or management staff.

Primary users of the manual are Country Representatives, reporting office Finance Managers, Regional Finance officers, and Emergency First Responders assigned as the OCH Custodian. They all have specific responsibilities for defining, setting up and maintaining the system.

Secondary users of the manual are finance staff in the reporting office and management and program staff in the emergency; they need to understand how the system is set up so that their work is compliance with the system. Regional directors and HQ finance staff are also secondary users of the manual; they have a supervisory role to ensure that the system is in place, approved and functioning properly.

The overview, on page 9, shows how the finance responsibilities are divided into three sections and defines who is responsible for each task. Readers should focus on those parts for which they are primarily responsible, but review the entire text so they understand the full system and the responsibility of others.

**The OCH Custodian requires the following materials and information before deploying to the emergency location:**

1. Materials

1. Computer that will host the OCH Ledger
2. This Handbook plus all forms contained in this Handbook and any Country Program (CP)-specific finance forms that are required for the emergency operations (these can be printed out and taken to a printer to have sequential numbers printed onto them. See the appendix for a list of all the forms.)
3. Small safe or lockable box.

2. Financial information for the OCH Ledger

1. Country code
2. Sub office code
3. Code for various currencies in use
4. DSPN for the relevant projects
5. CRS Chart of Accounts
6. Authorization from Regional Director (RD) and Global Treasury Manager (GTM) to operate in cash.

3. Contact information for country program, regional and headquarter staff. The Country Program Manager and Regional Finance Officers are the first points of contact for the OCH Custodian. Contacts should include:

1. Country Program Finance Manager (CP-FM)
2. Regional Finance Officer (RFO)
3. Deputy Regional Manager for Management Quality (DRD-MQ)
4. Global Treasury Manager (GTM)
5. Overseas Finance Director (OFD) and Overseas Accounting Manager (OAM).

## Aligning Appropriate Financial Systems to the Emergency Environment

CRS frequently initiates emergency responses in locations where we have no partners, physical presence or ongoing program activities. In other cases, EFRs support partner organizations in a variety of activities, including financial and management capacity. Where CRS has a presence, the Country Representative (CR) and Regional Director (RD) may determine that opening field offices or base camps is required. In all these cases, EFRs are tasked with quickly establishing simple yet compliant financial management systems that will later be improved to become more robust.

Emergency operations are often initially conducted in cash because local banking facilities are unavailable or inadequate. Even if formal banking facilities are available, CRS must operate on a cash-only basis while awaiting approvals to open local bank accounts. The decision to operate on a cash-only basis is made by the RD upon request of the CR and approved by the Global Treasury Manager in HQ/Finance.

Cash maintained in a field office to finance major operations is called an Operating Cash-on-Hand balance, or OCH. Calculating OCH can be challenging in a fast paced, changing emergency environment but staff are required to ensure that cash-on-hand does not exceed four weeks’ operational needs; the decision on OCH levels will depend on the operating environment and situational context.

Field offices approved to manage OCH balances are required to comply with Generally Accepted Accounting Principles (GAAP) and CRS/Finance policies and procedures to the extent possible. The OCH Custodian must make every attempt to adhere to the cash management practices by implementing effective and efficient internal control and reporting systems detailed in this handbook.

Operating in a cash-only environment presents significant risks to the agency and staff. The OCH Custodian must therefore continually seek out and assess options that may become available that will allow the field office to discontinue operating on a cash-only basis or reduce OCH levels. The OCH Custodian shall document this ongoing assessment and report regularly to the reporting Country Representative and Regional Finance Officer (RFO) to justify the continuation of cash-only operations or show how local options warrant a reduction or closure of the OCH balance. The initial approval will be for a maximum of 90 days and will require a quarterly renewal based on continued needs assessments and justification.

In the early days of an emergency, it may be impossible to comply with all CRS/Finance’s policies and procedures governing operations in cash-only environments. Segregation of duties, for example, may not be possible when there are too few staff at the emergency site. The OCH Custodian is required to inform the CR, RFO and RD in writing if the operating environment will not allow full compliance with CRS Finance policies and procedures, and outline the steps being taken to mitigate any risks to CRS, staff and partners.

The OCH Custodian is effectively a bookkeeper responsible for documentingall transactions, ensuring that CP and Regional Finance Officers (RFOs) understand how the cash was spent, and securing cash resources. Once a professional finance staff person arrives, s/he will establish additional financial management and control systems to reduce risk and strengthen compliance.

Progress expected within 8 weeks after the beginning of an emergency Response

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Decision Framework for Aligning Appropriate Financial Systems to the Emergency Environment***  The following table will assist Country Representatives, Finance Manager and Regional Management to identify financial systems appropriate to the emergency environment.  ***Framework for Applying the Finance in Emergencies Handbook vs. Standard CRS Finance Policies*** | | | | |
|  |  |  |  |  |
|  | **Scenario 1**: No pre-existing CRS office and banking infrastructure is nonexistent. | **Scenario 2**: No CRS office but banking infrastructure exists. | **Scenario 3**: Existing CRS office but banking infrastructure compromised. | **Scenario 4**: Existing CRS office and banking infrastructure functioning |
| **A. Overview** | This scenario is likely during the initial stage of a large- scale natural disaster. CRS works in a cash environment where cash handling and financial functions are not managed by a trained accountant. Cash may be hand carried to the emergency office through a number of different channels. This can be a chaotic environment with a high level of risk. | This scenario is most likely in a small- to moderate-scale natural disaster or slow onset emergency. It may occur where CRS has had no previous presence and is temporarily unable to open a bank. Cash and finance functions are likely not managed by a trained accountant. Cash may be hand carried to emergency office through a number of different channels. This environment will impose moderate to high levels of risks. | This scenario may occur in a rapid onset, moderate to major disaster where banking infrastructure once existed but is not functional. Cash may be hand carried through a number of different channels. Trained finance staff are managing cash and accounting functions. This environment can impose moderate levels of risks. | This scenario may occur in a slow onset to small/moderate natural disaster where CRS has an existing office. Banks are used to transfer and safeguard cash. Trained financial staff exist and are managing to CRS' normal financial standards. This environment poses low to medium risks to the agency. |
| **B. Banking and Cash Management** | A cash environment using OCH is necessary until banking infrastructure is restored. Approval from the Regional Director and Global Treasury Manager is required to set-up OCH. The office will need to assign an OCH Custodian. | A cash environment using OCH with ongoing assessment on banking infrastructure restoration and eventual transfer to a banking environment. Cash may be hand carried through a number of different channels. Support many be needed from the Global Treasury Manager to identify alternative banking and cash movement services. Approval from the Regional Director and Global Treasury Manager is required to set up OCH. The office will need to assign an OCH Custodian. | A cash environment using OCH with ongoing assessment on banking infrastructure restoration and eventual transfer to a banking environment. Cash may be hand carried through a number of different channels. Support may be needed from the Global Treasury Manager to identify alternative banking and cash movement services. Approval from the Regional Director and Global Treasury Manager is required to set up OCH. The office will need to assign an OCH Custodian. | The CP's preexisting banking and cash management systems are utilized. |
| **C. Cash Flow** | Cash is initially hand carried to the emergency office by staff and maintained in a lockbox or safe. Cash levels should be minimized and monitored closely to mitigate risks. There can be initial challenges in coordinating cash delivery to emergency offices and consolidating all hand carried cash into one OCH account. The use of courier services may reduce the risks to staff hand carrying cash. Undependable cash flow can compromise programming plans and commitments. To the extent possible, advances to partners, large payments to vendors, and national staff salaries should be processed from the reporting office. | Cash is initially hand carried to the emergency office by staff and maintained in a lockbox or safe. Cash levels should be minimized and monitored closely to mitigate risks. There can be initial challenges in coordinating cash delivery to emergency offices and consolidating all hand carried cash into one OCH account. To the extent possible, advances to partners, large payments to vendors, and national staff salaries should be processed from the reporting office. If it is unlikely to be able to open a bank account quickly, CRS should consider the option of transferring cash to an in-country partner. The RFO should work closely with the Global Treasury Manager to identify all banking alternatives that may be available. | Cash is initially hand carried to the emergency office by staff and maintained in a lockbox or safe. Cash levels should be minimized and monitored closely to mitigate risks. The use of courier services may reduce the risks to staff hand carrying cash. Undependable cash flow can compromise programming plans and commitments. The CR and RFO are responsible for identifying appropriate solutions and coordinating with the Global Treasury Manager. OCH must be kept separately from petty cash with a different custodian. | The CP's preexisting cash transfer mechanisms are utilized. |
| **D. Accounting System** | OCH Custodian uses OCH Ledger for each currency type. | OCH Custodian uses OCH Ledger for each currency type or, if a qualified accountant is available, the SunSystem Terminal Server can be used. | The CP's preexisting accounting systems are utilized (i.e. SunSystems or the Sun Excel Template) | The CP's preexisting accounting systems are utilized (i.e. SunSystems or the Sun Excel Template) |
| **E. Accounting Responsibilities** | Accounting responsibilities assigned to the OCH Custodian who may not be a trained accountant. | Accounting responsibilities assigned to the OCH Custodian who may not be a trained accountant. | Accounting responsibilities are managed by existing finance staff using CRS standard finance policies and procedures. | Accounting responsibilities are managed by existing finance staff using CRS standard finance policies and procedures. |
| **F. Required Segregation of Duties** | (1) The person who manages and disburses cash may not engage in procurement activities or receive goods; and (2) the person who manages OCH may not approve commitments and disbursements (this may mean that approval is obtained from the reporting office). | (1) The person who manages and disburses cash may not engage in procurement activities or receive goods; and (2) the person who manages OCH may not approve commitments and disbursements (this may mean that approval is obtained from the reporting office). | CRS' standards defined in its Segregation of Duties policy apply. | CRS' standards defined in its Segregation of Duties policy apply. |
| **G. Policy/Procedure and Source Documentation** | Finance in Emergencies Handbook | Finance in Emergencies Handbook | CRS' standard policies and procedures apply. | CRS' standard policies and procedures apply. |

## Overview

This handbook details actions for the following three critical functions. The first function, ***Define and Establish Emergency Financial Systems*** is for the Country Representative, reporting office Finance Manager, Regional Finance Officer, and region staff. The second function, ***Set-Up the OCH Ledger and Day-to-Day Processing*** is for the EFR assigned as the OCH Custodian. The third component, ***Manage Internal Control, Reporting, Handover and Transition,*** is for the EFR, reporting office and Regional Staff.

## Basic Financial Concepts for Emergency Staff

1. ***Operating Cash on Hand (OCH****)* — acash fund used to support program activities when bank services are unavailable or inadequate. OCH balance should never exceed four weeks of expected expenditure levels.
2. ***OCH Ledger*** — an Excel sheet that contains macros written in Visual Basic for Applications (VBA) code. It automatically formats the OCH Ledger through various links and keyed macro commands. In order for the macros to work properly, set the computer’s security settings to medium[[1]](#footnote-1).
3. ***OCH Custodian*** — the EFR with responsibility for documenting all financial transactions, ensuring accuracy and transparency of the financial activities, and safeguarding cash resources. Once a financial professional arrives at the field office, s/he will establish additional financial management and control systems to further reduce risk and strengthen compliance.
4. ***Internal control*** — the process of supporting an organization in accomplishing its goals. Internal control is not a single event or circumstance or an assortment of unrelated procedures, but a series of actions based on policies and procedures. Strong internal controls protect CRS’ assets and promote employee morale and improve management-staff relations to reduce the risk of errors, misuse or theft of the entrusted resources.
5. ***Documentation and support of all financial transaction*** —original invoices and receipts that support financial transactions. In ambiguous situations, auditable decisions are documented in memos to the files. Requires the use of CRS financial management documents. (See attachments for purchase requisitions, purchase orders, cash receipt vouchers, payment requests, and cash disbursement vouchers.)
6. ***Segregation of duties*** — a control policy to ensure that no person is given responsibility for more than one related finance function. The person responsible for purchasing, for example, should not also be responsible for payment.
7. ***Account code*** — a four-digit number that identifies the type of asset, expense, liability or revenue that is being increased or decreased by a transaction. OCH Custodians use account codes to determine where transactions will be charged within emergency program budgets.
8. ***Donor Source Project Number (DSPN***) — an 11-digit number that designates the budget to which an expense or receipt is being credited or debited. The four digits (assigned by HQ/Finance) represent the Donor Source Number (DSN) that identifies the donor of the funds. The next three digits represent the Country or HQ Department that benefits from the transaction. The final four numbers (assigned by the CP or headquarters department) are the project number and identify the specific project that will benefit from the transaction. The project number is numeric; alphabet letters are never used.

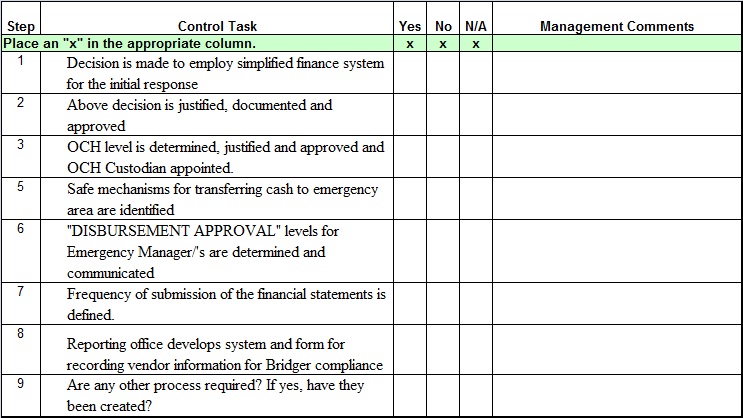
1. ***Cash forecasts and requests*** — used by the emergency field office to request advances of operating capital, including cash, for field office activities from the reporting CP or directly to Baltimore. In the early stages of an emergency response it is difficult to determine the frequency and amounts of cash replenishments the office will need early on, and cash flow requests will be submitted irregularly on an as-needed basis, but at least monthly. Over time, Finance Officers will become adept at determining burn rates and making rational, well-timed requests for the replenishment of funds.

# CHAPTER 2

## Summary

The decision to deploy staff to an emergency is normally made by the Country Representative or Regional Director based on an assessment of need and CRS’ ability to respond. At the same time, they determine the appropriate finance system based on the scenarios in Chapter 1. If the simplified systems are chosen the decision must be justified and documented. The CP’s finance manager or Regional Finance Officer is required to work with the management team to determine the initial OCH level, define and communicate any CP-specific forms and processes to compliment the Handbook, assign who will be assigned as OCH Custodian, and identify secure ways to move cash to the emergency area.

**Please use the following checklist for tasks identified for this chapter.**



## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\8HJUVQVS\MCj04260520000[1].wmfDecide to Employ Simplified Financial Systems

**The CR must justify in writing why the emergency response will be initially implemented using the simplified finance system and timeframe defined in this handbook.** The decision and its justification must be approved by the Regional Director (RD) and submitted to theOverseas Finance Director (OFD) and Global Treasury Manager (GTM). The justification includes:

* Circumstances in this emergency require use of the simplified system
* How the minimum segregations of duties defined in Scenario 1 and 2 will be achieved
* Efforts that will be taken to ensure that systems and staffing will be brought into full compliance with CRS’ financial standards defined in Scenarios 3 or 4.

The CP/Emergency Office may implement the simplified controls for up to eight weeks after the date of communicating the initial decision and justification to the OFD. Any extension over the eight-week period requires OFD approval.

**If the minimum segregation of duties, as defined in scenario 1 and 2, will not be achieved in the initial stage of the emergency response, a waiver must be requested from the OFD.** The CR or Regional Office will

* Document the situation
* Inform the RD, CP-FM, CP-Head of Programs and the EFR/OCH Custodian
* Project when the minimum standards defined in Scenario’s 1 and 2 can be achieved
* Submit for approval from the OFD.

The CP-FM is responsible for storing and making the document available for future audits.

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\8HJUVQVS\MCj04260520000[1].wmfDetermine Initial OCH Level

**REQUIRED STANDARDS**

**The CP Finance Manager or RFO must determine the initial OCH level to be maintained for the emergency office.** This can be difficult to project because programming assessments are not complete, donor response is not clear, and levels of funding are not known.

The following factors should be considered when determining the initial OCH level for an emergency office.

* The OCH level should never exceed four weeks of expenses.
* The mechanism to transfer cash in an on-going and secure fashion will influence the levels of cash.
* If possible, salary payments to national staff and payments to partners should be made from the reporting office rather than the OCH account.
* One-time expenses such as office start-up costs versus ongoing expenses such as travel expenses and program material are considered when determining appropriate levels.
* Cash levels will also be affected by the type of currency used, exchange rates and ease of changing currency. Can you exchange foreign currency in the emergency area securely? Should you send more or less cash, or cash of a specific currency based the answers to the above question?

**The RFO provides the CR and Emergency Team Leader with the recommended OCH level for approval**. Once approved by the CR, the OCH level should be communicated to the OCH Custodian. The OCH level can be revisited and revised as the emergency response matures.

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\8HJUVQVS\MCj04260520000[1].wmfDefine and Communicate Disbursement Approval Levels and County Program-Specific Request for Forms and Processes

**REQUIRED STANDARDS**

1. **The disbursement approval levels for emergency managers are determined and communicated.** Agency policy states that any expense over $5,000, or equivalent in local currency, must be either be approved by the CR or by two staff (two signatures) that have been delegated such approval level in accordance with CRS’ Internal Control Policy. The OCH Custodian may not approve any disbursements. All disbursements over $25,000 require the approval of the CR.
2. **The frequency of submission of the financial report is established.** This will be no less frequently than monthly and based on:

* Value of expenses and number of transactions incurred by the emergency office
* The time required for the reporting office to enter all transactions into SunSystems before the end of the month
* Ability of the CR and the RFO to review documentation and identify improvements.

1. **The reporting office develops a form to be used by the OCH Custodian that will capture information required for T4 vendor codes and Bridger security software review.** The OCH Custodian will return the completed form to the reporting office with regular liquidation/reporting packages.
2. **If forms and processes other than those in this Handbook are required by the reporting office, the CP identifies them now.** The forms in this Handbook are standard agency forms from the Office of Finance

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\8HJUVQVS\MCj04260520000[1].wmfIdentify Secure Ways to Transfer Cash to Emergency Area

**REQUIRED STANDARDS**

**The transfer of cash in an emergency environment is a challenge. The CP and Regional Office EFR need to ensure that all transfers are made in the fastest possible mode with maximum security for staff** and CRS because “CRS believes that staff is the most precious resource we manage.[[2]](#footnote-2)” Physical cash transfer should only be used when there are no viable banking options. The physical cash transfer options include the following.

1. **Transfer of cash by a CRS employee** is a common approach in emergency environments where CRS did not previously have a presence or normal banking systems have been compromised. The CRS office transferring cash must communicate by email to the OCH the amount of cash and the name of the person doing the transfer. Upon receipt, the OCH Custodian completes the **Cash Receipt Slip** or **Cash Transfer between Offices** form, as applicable, and records the transfer in the cash ledger at the time of receipt.

The Country Program will need to take the following cautionary steps:

* Ensure staff safety is considered; check local law and the security in the operating environment before deciding on this transfer approach
* Keep the cash hidden and secured during the transfer.
* Only notify essential staff about the transfer (e.g. CR, Head of Operations, and RFO).
* Inform Global Treasury Manager if large amount of cash (over $25,000) will be transferred.

1. **Transfer through partners:** The partner uses a method of its own to transfer the cash to the emergency office. Upon receipt, the OCH Custodian completes the **Cash Receipt Slip** and records the exchange in the cash ledger. The OCH Custodian provides a receipt to the partner. The partner uses this receipt to liquidate the advance that was issued in its name. The partner may charge a small fee for administrative expenses.
2. **Transfer through a courier:** If the environment requires the use of couriers, the OCH Custodian contacts the Global Treasury Unit forguidance on selection and use of courier services. The Deputy Regional Director for Management Quality CR, and RFO are also be notified when the Global Treasury Unit’s assistance is requested.
3. **Transfer through other channels**: In certain emergency situations, it may be necessary to use an alternative method, like transferring through a local merchant or trader. Before using this method: consider this is a method of last resort; check the security issues, evaluate the cost, and obtain prior approval from the Global Treasury Unit

C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\8HJUVQVS\MCj04260520000[1].wmf**Assign OCH Custodian Responsibility to an EFR**

**STANDARDS**

The CP or Regional Office identifies the OCH Custodian and the finance contact within the Reporting Office and CP structure including the disbursement approval levels. The custodian is responsible for handling and securing all cash resources assigned to the emergency office and for processing and recording all cash disbursement. The EFR assigned as the OCH Custodian is responsible for processes in Chapters 3 and 4 of the Handbook. The reporting country is responsible for providing all decisions made in Chapter 2 to the custodian in writing and to provide technical support as requested and needed.

# CHAPTER 3 Setting-up the OCH Ledger and Day to Day Processing – Functions of the

## Summary

The OCH Custodian is responsible for setting up the initial financial systems upon arrival at the emergency site. The initial financial management systems are basic, but as more staff arrive, including an accountant, these rudimentary start-up systems will become increasingly compliant with the full range of CRS finance policies and procedure.

The OCH Custodian usually has many daily responsibilities in an emergency and may not have the time to make all entries into the ledgers as they occur. In such cases, the OCH Custodian must set aside time each day to make entries in the ledgers, verify and file documents, count and document cash balances and secure the office. Other finance tasks are done as needed: prepare vouchers and cash advances; collect support documents; and liquidate advances.

This chapter defines the standards for setting up the OCH Ledger and managing daily processing and outlines the process for achievement of the standard. The basic financial systems defined in this chapter closely resemble managing a personal checking account with a check register (general cash ledger), deposit slips (cash receipt vouchers), withdrawal slips (payment requests), and checks (cash disbursement vouchers).

During the early stages of an emergency response, eight primary responsibilities are required to set up and operate a simple yet effective field-level financial management system when SunSystems is not an option:

1. Set up the OCH Ledger
2. Record cash receipt
3. Record cash disbursements and payment requests
4. Record cash advances and liquidations
5. Convert cash into other currencies
6. Perform cash counts
7. File support documentation
8. Secure cash.

**Please use the following checklist for required tasks before arriving in emergency area:**



## C:\Documents and Settings\restridg\My Documents\My Pictures\Microsoft Clip Organizer\j0431585.pngSet Up the OCH Ledger(s)

**StandardS**

Separate OCH Ledgers are established for each currency used in the emergency site for tracking all receipts and disbursements. The custodian backs up the OCH Ledgers daily on a flash drive.

**OCH CUSTODIAN WILL NEED**

1. **Computer** designated for the OCH Ledger and custodian. The computer can be his/her CRS laptop or computer shared by others in the emergency office. Only the OCH Custodian has user rights. If the computer has several users, a separate domain is created to load the OCH for use by the OCH Custodian.
2. **Flash drive** is used only for backing up financial documentation and the ledger(s) and should be stored in a different location (e.g. safe, lock box, etc.).

**STEPS TO SET UP THE OCH LEDGER**

**1. Copy the OCH Ledger from the Finance in Emergencies CD into your designated computer**.

**2. Create a folder in your computer named “OCH – XXX** – **YYYY.”**

* XXX is the three digit country code.
* “YYYY” is the name of the sub office. For example an emergency office in Batticaloa of Sri Lanka, the folder will be coded as “OCH – 884 – BATTICALOA.”

***3*. Save the OCH Ledger file into the above folder and name it “Ledger** – **OCH –XXX- YYYY- CUR.xls”**

* XXX is the country code.
* YYYY is the sub-office name.
* CUR is the currency type.

For example an emergency office in Batticaloa of Sri Lanka for an OCH Ledger in U.S. dollars, the file will be coded as “OCH – 884 – BATTICALOA– USD.XLS”

***4.* Click on the “Instructions” tab*.*** In the “Enter the name of the country in which you are working” field enter the country code number.

5. **Click on the “Instructions” tab and perform the following tasks.**

* In the field “Enter the name of the field office at which you are working” enter the sub-office name. In the field “Enter the currency you using (enter a ‘currency code’)” enter the currency code from the excel sheet. If you are using U.S. dollars it is “USD.”
* In the field “Check if the currency does or does not require decimal points” click on the box for “decimal” or “no decimal” depending on the currency type. Most currencies require a decimal.
* In the field “Enter the DSPN for the Cash Account” enter the DSPN code for cash.
* Enter all the project numbers that fund the emergency into rows entitled “Enter the DSPN funding the project.” Enter the same DSPN as mentioned in the fourth bullet above**,** and eachDSPN will be listed after that tab. The RFO or DRD-MQ will have the DSPN information.

**STEPS TO BACK UP THE OCH LEDGER DAILY**

1. **Create separate back up folders for each of the OCH Ledgers** (one for each separate currency) under the folder “OCH – XXX – YYYY” as stated in step 1.a. of “Set up the ledger.”
2. **Save a copy of each ledger under each of the respective folders** and name it “mm-dd-yyyy” – “Ledger – OCH – XXX – YYYY – CUR.xls”

* Enter the date in the format mm-dd-yyyy
* “Ledger – OCH – XXX – YYYY – CUR” is the name as defined in step 3 of “Set up the Ledger.”

1. **Copy the back-up folders onto a back-up drive daily**.

**Note on Security Setting:** Set your computer’s security setting to “medium” to ensure that your macros work properly. Click “Tools / Macro / Security” and select the medium option. If the High Security option is selected: the macros will not work. When the Medium Security option is selected, each time you open files that contain VBA macros, you will be asked if you want to enable or disable them. Select “Enable.” If the Low Security option is selected, the macros will work and you will not receive any warning messages*. However, this may put your computer at risk from macros in programs imported from unknown sources and is therefore NOT recommended.*

## C:\Documents and Settings\restridg\My Documents\My Pictures\Microsoft Clip Organizer\j0431585.pngRecord Cash Receipts

**STANDARD**

The custodian enters every cash receipt into the OCH Ledger for each currency on the day of the transaction. All incoming operational cash on hand is handed only to the custodian, recorded in the OCH Ledger and a cash transfer form in duplicate is completed and signed by both parties. All cash transfers between offices are supported by the **Cash Transfer between Offices Form** signed by both parties andcash receipts are supported by **Cash Receipt Slips**.

**OCH CUSTODIAN WILL NEED**

* Computer with OCH Ledger(s)
* **Preprinted Cash Receipt** or computer printed **Cash Receipt Slips** developed by custodian with sequential numbering.
* **Cash Transfer between Offices** form brought by the person carrying cash from the cash transferring office.
* **“Received”** stamp
* **Small safe and deposit box.**

**STEPS TO RECORD CASH RECEIVED**

1. Match the amount of cash received to the amount listed on **Cash Transfer between Offices** form (in duplicate) and deposit cash in safe or lockbox. The form and the physical amount of cash must match. When the match is verified, stamp “Received” on the form, and sign and date it.
2. Issue triplicate copies of the **Cash Receipt Slip** that indicate the amount of cash received. One copy of the Cash Receipt Slip is kept in the cash flow file along with the **Cash Transfer between Offices** form, the second copy is a support for the OCH Ledger and the third copy is given to the person who brought the cash. This person will attach the Cash Receipt Slip with other liquidation documents, to settle his advance in the Cash Advancing Office. Store the cash advance in the safe or locked box along with the balance of cash already in hand. (See Chapter 6: Safeguarding Cash.)
3. Make the following entries into the OCH Ledger
4. Column A under Date – enter the date of receipt of cash using the mm/dd/yyyy format.
5. Column B – enter the **Cash Receipt Slip** number as the “Voucher / Ref No” which will either be the preprinted number if using the preprinted form or based on a sequential receipt numbering system you develop if not using a preprinted and pre-numbered form. If the latter, write the assigned number on the computer generated **Cash Receipt Slip**. Ensure that in all circumstances your cash receipt number (whether preprinted or assigned) matches what you enter in Column B of the OCH Ledger.
6. Column C – enter A/C 1075i “Account/ Sub – Account Codes”.
7. Column D – enter the *full name* of the person from whom you received the cash.
8. Column E – enter the description of the receipt by typing: (1) Cash Receipt; (2) name of the transferor; and, (3) the office from which you received the cash. All three components in the description are essential for the reporting office to better understand the transaction.
9. Enter the amount entered in Column F – “Opening Balances/ Replenishments.”

## C:\Documents and Settings\restridg\My Documents\My Pictures\Microsoft Clip Organizer\j0431585.pngRecord Cash Disbursements

**STANDARD**

The OCH Custodian is required to enter every expense transaction into the OCH Ledger for the appropriate currency on the day of the transaction. S/he must record all transactions as defined by the CRS standard chart of accounts and enter the applicable DSPN to be charged for each expense transaction as instructed by the reporting office.

**OCH CUSTODIAN WILL NEED**

* Computer with OCH Ledger(s)
* Substitute Invoice found on the Handbook’s CD
* **Cash Disbursement** **Slip**, preprinted or computer printed. If such forms are not available, the custodian should develop a sequential numbering system for the standard slip templates included in this handbook.
* **“Paid”** and **“Received”** stamps**.**

**STEPS TO RECORD CASH PAYMENT -- Direct Payment (not an advance)**

1. Obtain an invoice or receipt from the vendor or the person paid cash. In case the person or the vendor does not have their own invoice or receipt, use the **Substitute Invoice[[3]](#footnote-3).** The Substitute Invoice must be signed and dated by the vendor or the person receiving cash.
2. Prepare a **Cash** **Disbursement Slip,** have it approved by authorizing official, and sign and date the form and attach the Invoice or Receipt from the person or vendor or the Substitute Invoice.
3. Enter the amount of the disbursement into the OCH Ledger by making the following entries:
   1. Column A under Date – enter the date of cash disbursement in the mm/dd/yyyy format.
   2. Column B – enter the **Cash Disbursement Slip** number as the “Voucher / Ref No.” Use either the preprinted **Cash Disbursement Slip** number or a sequential disbursement numbering system you create. Ensure that in all circumstances your **Cash Disbursement Slip** number (whether pre-printed or assigned by you) matches what you enter in Column B of the OCH Ledger.
   3. Column C – enter the Expense A/C in – “Account/ Sub – Account Codes.” For definition of the type of Account code please click on the tab “Account codes Quick guide.”
   4. Column D – enter the *full name* of the person/vendor to whom you disbursed cash. The name in this column will match the name as stated in the **Cash Disbursement Slip**.
   5. Column E – enter the description of the disbursement. State (1) that the transaction is a cash disbursement; (2) the name of the person receiving the cash; and, (3) the **Cash Disbursement Slip** number. All three components in the description are essential for the reporting office to better understand the transaction.
   6. Column F – enter the disbursed amount into Column F – “Opening Balances/ Replenishments.”

**Additional Notes**

Payroll for national staff should be processed by the reporting office, to the extent possible. Payments to locally hired daily laborers, consultants and volunteers may be processed out of the OCH if supported by appropriate support documentation and a Cash Disbursement Slip.

All purchases that exceed $500 must be supported by three bids or a documented price review. Justification must be provided for sole-sourced vendors. Purchases with the value of $5,000 or greater are approved by the CR or authorized official who ensures that all procurement requirements are met or necessary waivers obtained. These documents are attached to the purchase invoice/receipt.

Advances to partners, along with liquidations and reports should be managed from the reporting office to the extent possible. Partner advances made from the OCH are supported by a copy of the partner agreement, approved **PFAFS** form, **Payment Request Form**, and **Cash Disbursement Slip**. Reimbursements to partners for expenses they incurred on CRS’ behalf are supported by an **Invoice** or **Substitute Invoice** and a **Cash Disbursement Slip.**

## C:\Documents and Settings\restridg\My Documents\My Pictures\Microsoft Clip Organizer\j0431585.pngRecord Advance Disbursements

**STANDARD**

All advances to employees and vendors must be supported by required forms.

* Short-term advances to employees are supported a **Payment Request Form.**
* Vendor advances are supported by a **Payment Request Form,** a **Purchase Order** detailing the advance requirement, and a **Vendor Advance Acknowledgement Form** signed by the vendor acknowledging receipt of the advance.
* Travel advances to staff are supported by a **Travel Advance Request Form**.

**OCH CUSTODIAN WILL NEED**

* Computer with OCH Ledger(s)
* Copy of forms from CD.
* **Cash Disbursement** **Slip**, preprinted or computer printed. If such forms are not available, the custodian should develop a sequential numbering system for the standard slip templates included in this handbook.
* **“Paid”** and **“Received”** stamps**.**

**STEPS TO RECORD CASH ADVANCE**

1. Obtain a **Payment Request Form** and required support documentation signed by the employee with required approvals.
2. Prepare a **Cash Disbursement Slip** and sign and date the form. Attach the **Cash Disbursement Slip** to the **Payment Request Form** and required support documentation.

1. Disburse cash to the person requesting the advance.
2. Enter the amount in the OCH Ledger by making the following entries:
3. Enter the date of cash disbursement column A using the mm/dd/yyyy format.
4. Enter the pre-numbered or self-assigned sequential **Cash Disbursement Slip** number in column B as the “Voucher / Ref No.”
5. Enter the Advance account number in Column C – “Account/ Sub – Account Codes.” For definition of the type of Account code please click on the Tab – “Account codes Quick guide.”
6. Enter the name of the person to whom you advance the cash. In Phase I of the emergency it is not essential to code vendor numbers in Column D. However, typing in the name will still remain essential.
7. Enter the description of the disbursement in Column E by typing that the transaction is a “***Cash Disbursement – Advance,***” the name of the vendor or employee and the reason for the advance.
8. Enter the amount entered in the Column J – “Employee and Vendor Advance- DEBIT” column.

**Types of Advances:** there are a variety of situations that call for cash advances. The most common are:

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| **Travel Advances** [A/C 1291, see resource PRO-FIN-REC-009.08 (Travel Advances) for accounting treatment protocols] are funds issued to CRS employees for estimated expenses to be incurred during approved business travel.   * + **Issuance:** the employee fills out a Travel Advance Request [Travel Advance Request] and CA/PO [attachment Cash Advance - Purchase Order Request], signs and dates the forms, and has them approved and signed by a supervisor. Finance will provide the funds to the employee within three working days of the request. The employee acknowledges receipt of the funds by signing the CA/PO.   + **Liquidation:** Travel advances must be liquidated within five (5) business days after the employee’s return from the trip, generally through the submission of one or more approved Travel Expense Vouchers with receipts attached, a return of the funds advanced, or a combination of the two. |

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| **Project Advances** [A/C 1231, see resource PRO-FIN-REC-009.04 (Project Advances) for accounting treatment protocols] are funds issued to local partners (also referred to as “counterparts” or “project holders”) to provide them with the temporary cash flow needed to fulfill their contractual emergency project responsibilities as per signed agreements with CRS.   * **Issuance:** Project advances may be given only to partners who have signed an agreement with CRS and have an approved budget; separate agreements must be executed for each project assigned to a local partner. The partner will submit a formal written request to CRS for those funds required for up to three (3) months of operation. Special consideration shall be given for start-up costs. * **Liquidation:** Each advance shall be given with the mutual, explicit understanding that the recipient partner must fully account for the funds received within a specified deadline. The finance office in coordination with programming staff will work with the partner to determine the reporting format the partner shall use. Partner financial reports shall whenever possible include original support documents. |

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| **Advances to Vendors** [A/C 1522, see resource PRO-FIN-REC-009.10 (Advances to Vendors) for accounting treatment protocols] are funds made as payments to vendors in advance or as a down payment prior to the receipt of goods or services.   * **Issuance:** Each advance to a vendor is based on a written agreement that specifies the unit price, quantity, total price, detailed description of the goods and/or services, delivery date(s) and packaging requirements, if applicable, of the goods/services to be provided. The agreement should indicate the amount or percentage due the vendor as an advance and the measures to be taken in the event of default by the vendor. It is also recommended to include a penalty clause for poor performance. Advances issued should not exceed fifty percent (50%) of the total contract price. Finance shall fill out a CDV for the amount of the advance, and shall have the vendor sign for funds. * **Liquidation:** it is expected that each advance to a vendor will be liquidated as soon as possible, but generally not later than 30 days after its issuance. Advances to vendors are generally settled through the submission of one or more invoices from vendors for goods delivered or services rendered. Final payment shall be made only upon the satisfactory completion of all contractual obligations. |

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**STANDARD**

The OCH Custodian must ensure all advances managed by the emergency office are liquidated according to CRS policy by submitting required support documentation within required timeframes.

* Short-term operating advances are normally liquidated within five days and must be supported by a **Vendor Receipt** or **Substitute Receipt**.
* Travel advances are liquidated within five days of returning from a trip using a **Travel Expense Voucher Form** and appropriate supporting documentation. Travel advances are liquidated in the office where the travel advance was received and the same currency type should be used for both the advance and liquidation.
* Vendor advances are liquidated within 30 days of issuance and supported by a **Vendor Receipt** or **Substitute Receipt,** a **Goods Received Note (GRN),** and a comparison between the PO and GRN.

**OCH CUSTODIAN WILL NEED**

* Computer with OCH Ledger(s)
* Copy of forms from CD or CRSGlobal
* **Preprinted Cash Receipt** or computer printed **Cash Receipts Slips** developed by custodian with sequential numbering.
* **Cash Transfer between Offices** form is brought by the person carrying cash from the cash transferring office.
* **Cash Disbursement** **Slip**, preprinted or computer printed. If such forms are not available, the custodian should develop a sequential numbering system for the standard slip templates included in this handbook.
* **“Paid”** and **“Received”** stamps**.**

**STEPS TO LIQUIDATE AND ADVANCE AND RECORD**

When liquidating, credit the total amount of the advance to the DSPN from which it was taken;

1. Debit all expenses to the appropriate DSPNs and enter a transaction description that connects the liquidation to the original advance
2. Return residual cash to the safe
3. Issue a receipt for the residual cash returned
4. Attach support documents and file by reference number.

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**STANDARD**

All currency conversions are shown as a disbursement in the ledger of the currency being converted and as a receipt on the OCH Ledger of the currency received. A cash conversion receipt is obtained to support all conversions detailing the amount and currency converted, exchange rate, and the date of the exchange.

**OCH CUSTODIAN WILL NEED**

* Computer with OCH Ledger(s)
* **Currency Conversion Slips**.

**STEPS TO CONVERT CASH INTO OTHER CURRENCIES**

1. Conduct foreign currency exchange through legal channels.
2. Document the exchange using the exchanger’s receipts or CRS receipts:
   1. Conversions by formal means, a bank or foreign currency exchange offices – use receipt form issued by the exchanger
   2. Conversions by informal means if formal channels are not available – **Cash Receipt Slip**, signed by the exchanger and CRS messenger and, if possible, witnessed by an additional CRS employee.
3. Document both sides of the transaction. Each foreign currency exchange involves a **cash disbursement** from the issuing currency and a **cash receipt** in the recipient currency.
   1. Cash disbursement – **use the Cash Disbursement Slip** and a photocopy of the foreign exchange receipt form or CRS cash receipts slip
   2. Cash receipt – use **the Cash Receipt Slip and the receipt form** issued by the exchanger, if applicable. If the conversion was done through informal channels and no externally generated receipt form is available, attach a photocopy of the **Cash Disbursement Slip**.

**STEPS TO RECORD THE CURRENCY CONVERSION IN THE OCH LEDGER**

Two entries are made to record the currency conversion. The first entry records the transaction of the current being converted and the second records the transaction of the currency to which the conversion is made. Both are recorded in their respective currency OCH Ledgers

***ENTRIES TO RECORD CURRENCY CONVERSION IN OCH LEDGER FOR BOTH THE CURRENCY CONVERTED AND THE CURRENCY RECEIVED.***

Use a preprinted **Currency Conversion Slip** in duplicate for the currency conversion or use a numbering system you have created if you downloaded the form.

1. Get a receipt for the cash conversion from the person making the exchange. If there is no receipt, ask the person to sign the **Currency Conversion Slip** with the amount being converted. Attach one of the **Currency Conversion Slip** for this transaction.
2. Enter the amount of currency converted in the appropriate OCH Ledger with the following entries.
3. Column A under Date – enter the date of receipt of cash. Enter in the mm/dd/yyyy format in the column.
4. Column B – enter the **Currency Conversion Slip** number as the “Voucher / Ref No.” Please use the preprinted slip number. If you do not have preprinted **Cash Disbursement Slips** develop a sequential numbering system. Write down that number on the printed computer slip. Ensure that in all circumstances your **Currency Conversion Slip** number (whether preprinted or assigned) matches what you enter in Column B of the OCH Ledger.
5. Enter the A/C 1075 in Column C – “Account/ Sub – Account Codes.”
6. Type in the name of the person from whom you received the cash. In Phase I of the emergency it is not essential to code vendor numbers in Column D.
7. Enter the description of the receipt in Column E. State that the transaction is a currency conversion, the name of the person who converts the currency and from which currency it is getting converted.
8. Entry made into the OCH Ledger for the currency converted: enter the amount in Column L – which shows the DSPN the same as the advance and cash column.
9. Entry made into the OCH Ledger for the currency received: Enter the amount received in Column F.

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**STANDARD**

All transactions must be documented and properly approved; evidence of both are retained on file. Access to the financial files is restricted to designated staff during the hours of operation. All filing cabinets are kept in secured storage areas and locked during non-operating hours.

Financial documents are filed systematically. For example, cash receipts and cash disbursements are filed in numerical sequence by fiscal year using the reference numbers assigned to those documents. Financial files are retained for a minimum of three years after the emergency program has closed or longer if required by local law or donor regulations.

The OCH cash custodian ensures documentation for all transactions.

1. All transactions show the name of the person receiving or making payment.
2. All documents are signed by the receiver and payer of cash.
3. All documents are dated.
4. Each OCH Ledger is filed separately. All transactions in the OCH Ledger have a corresponding cash receipt or cash disbursement with documentation support.
5. The support document gives the details of purchase[[4]](#footnote-4) quantity, quality and the date of receipt.
6. All supporting document are cancelled and marked with stamp “PAID” to avoid reuse.

**OCH CUSTODIAN WILL NEED**

* Photocopier or access to photocopying services
* Printer
* Adequate supply of paper for printing templates
* Filing cabinets for onsite storage
* Binders
* Copy of the reporting office’s filing and record management manual
* A safe and small cash boxes for each currency.

**STEPS TO FILE HARD COPY SUPPORT DOCUMENTATION**

1. Create one file for receipts and another for disbursements for each OCH Ledger. File documents by their sequential number in each OCH Ledger.
2. Create a finance administrative file for other documents related to payments including emails on cash forecasts, approvals, etc.

# CHAPTER 4 Internal Control, Reporting, Handover and Transition

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\9H1BWU91\MCWB01518_0000[1].gifMaintain Minimum Segregation of Duties

**STANDARD**

The lead EFR ensures a minimum segregation of duties in the financial systems in the first stages of an emergency when an OCH Custodian is managing cash and making entries into the OCH Ledger. The minimum segregation of duties means:

* Person who manages and disburses cash may not engage in procurement activities or receive goods; and
* Person who manages the OCH may not approve commitments and disbursements (this may mean the approval occurs at the reporting office and communicated via email or designated onsite approver).

If there is insufficient staff to maintain the minimum standard, a written waiver is obtained from the CR giving the OCH Custodian sole disbursement approval up to $5,000 per transaction or equivalent in local currency using the daily exchange rate. Transactions that exceed $5,000 will require email approval from CR or other authorized official.

The OCH Custodian or lead EFR is required to inform the CR, with a copy to the RD and the RFO if the operating environment will not allow the above minimum segregation of duties and to outline the steps to mitigate potential risks to CRS, its staff and partners.

**STEPS TO MAINTAIN SEGREGATION OF DUTIES**

1. Define roles and responsibilities to ensure that the OCH Custodian does not engage in procurement activities or receive goods, or approve commitments and disbursements.
2. Inform the CR and RFO in writing if this minimum segregation is not possible and outline the steps to mitigate potential risks to CRS, its staff and partners. Obtain a waiver from the Overseas Finance Director in writing.

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1. Assign roles and responsibilities to achieve the minimum standards as additional staff arrive at the emergency site.

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\9H1BWU91\MCWB01518_0000[1].gifSecure Cash and Perform Cash Counts

**Standard**

The OCH Custodian is the only person who has access to cash stored in a lockbox or safe. S/he performs and documents daily cash count with a separate EFR performing weekly cash counts and reconciles it with the OCH Ledger. S/he documents and reports discrepancies immediately.

**OCH CUSTODIAN WILL NEED**

* Lockbox or safe
* OCH Count Sheet
* Cash Receipt Slip
* Cash Disbursement Slip

**STEPS FOR DAILY CASH COUNTS**

1. Count the cash balance in each currency at the end of every workday.
2. Document each count using the **OCH Count Sheet** format, indicating the quantity and extended amount for each currency denomination (bill and coin). Record all counts in ink and compare to the current cash balance in the OCH Ledger. Record that comparison on the count sheet. If there is a discrepancy, the count should be witnessed by an observer, if possible.
3. Report all unreconciled differences to the CR in writing, with a request for approval to book an adjustment to the OCH cash balance. Write-off adjustments should be booked to G/L 6941 (bad debt). Upon receipt of approval from the CR an adjustment should be prepared and a copy of the CR’s email should be attached as approval for the adjustment. No adjustment may booked in the OCH Ledger until the CR’s approval has been obtained.
4. Return the OCH funds in a lockbox or safe.
5. File the completed **OCH Count Sheet** in a lockable file separate from the funds.
6. At the end of the month, send all original cash count sheets with the financial submission to the reporting office. The Emergency Team Leader should keep a copy of the final cash count for the month.

**STEPS FOR REGULAR INDEPENDENT CASH COUNT**

1. The CR or his/her delegate assigns an individual responsible for the independent cash count. This person conducts an independent cash count for each currency weekly and records it on the **OCH Count Sheet** in the presence of the custodian. The independent counter and the custodian date and sign the OCH Count Sheet.
2. The custodian records the results of the cash count and compares it to the current balance in the OCH Ledger and the comparison on the count sheet.
3. The independent counter documents any discrepancy found during the independent cash count and reports it immediately to the CR in writing, along with a request to book an adjustment to the OCH Ledger for the discrepancy. Write-off adjustments should be booked to G/L account 6941 (bad debt). See Daily Cash Count - Step 1c for actions to take if the CR approves the request.
4. The custodian sends the independent Count Sheets to the reporting office monthly separate from the financial submission. Each independent counter should retain photocopies of count sheets for those counts s/he performed.

**STEPS FOR A SURPRISE INDEPENDENT CASH COUNT**

1. Either the lead EFR or someone from the reporting office must implement a surprise independent count at least once a month.
2. Surprise counts should be conducted, documented, and reported in the same manner as those for the regular independent cash counts.

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\9H1BWU91\MCWB01518_0000[1].gifForecast Cash Needs and Request Cash

**STANDARD TO ACHIEVE**

OCH balances should not exceed four weeks of expenses. To ensure adequate cash flow, the OCH Custodian ensures that the OCH balance does not drop to less than ten days of operating costs. Good practice is to request replenishment when cash balances hover around 35 percent of the approved OCH level.

It is normal procedure to submit a replenishment report to the CP Finance Department office before submitting a request to replenish the cash. In situations where the cash burn rate is high, the need for cash may occur well before outstanding replenishment reports can be provided. The CP’s Finance Department will work with the OCH Custodian in such cases to ensure that funding is available as needed and replenishment reports are completed as soon as possible.

**OCH CUSTODIAN WILL NEED**

Simplified **Cash Request Form**

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**STEPS TO FORCAST NEED AND REQUEST CASH TRANSFER**

1. Enter the OCH level that was approved by the CR/RD into the **Simplified Cash Request** Form.
2. Enter the amount of cash on hand based on the balance of the OCH Ledger on the day you are completing the form. The form will show the cash amount to be requested for transfer.
3. Collect additional cash needs from EFRs based on program or administrative requirements and commitments.
4. Review the total amount requested to ensure that it is sufficient for four weeks. If necessary, provide justification for an increase of the OCH level.

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\9H1BWU91\MCWB01518_0000[1].gifSubmit Financial Information to the Reporting Office

**STANDARD**

The OCH Custodian submits a copy of the OCH Ledger and all support documentation once a month or more frequently if requested by the reporting office. The financial report includes a copy of the OCH Ledger, all original support documentation, and cash count forms all containing the custodian’s signature attesting to the accuracy and completeness of the report.

**STEPS TO SUBMIT FINANCIAL REPORTS**

1. Make copies (photocopies or scanned copies) of all transaction slips.
2. Print out the OCH Ledger for the reporting period.
3. Attach all the original documents to OCH Ledger. Retain copies in the emergency office.
4. Create a separate package for each OCH Ledger (by currency type).
5. Photocopy or scan all original finance files. Create a separate package for each OCH Ledger.
6. Prepare a letter to be attached on each package. In the letter indicate the date for which the report is being sent and the transaction number series for the OCH Ledger and include a statement signed by the OCH Custodian attesting to the accuracy and completeness of the package.
7. Send the entire package to the reporting office for verification.

If requested by the reporting office, a soft copy may be sent by email or on a flash drive but the reporting office bases the SunSystems reports on the original documentation from the emergency office.

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\9H1BWU91\MCWB01518_0000[1].gifTransfer OCH Custodianship

**STANDARD**

Cash counts must be performed with the outgoing and incoming OCH Custodians every time there is a transfer.

**OCH CUSTODIAN WILL NEED**

* OCH Custodian Checklist
* OCH Count Sheet.

**STEPS TO TRANSFER OCH CUSTODIANSHIP**

1. Use the **Transfer of OCH Custodianship Checklist** for all steps of the handover process.
2. The outgoing custodian should perform a cash count in the presence of the incoming custodian using the **OCH Count Sheet**.
3. Compare the count to the current cash balance in the OCH Ledger. Document any discrepancy and record the adjustment in the OCH Ledger as a disbursement as prescribed in “Recording Cash Disbursements.” Both individuals should sign the count sheet attesting to the accuracy of the count. The handover takes place at the end of the workday, if possible, to facilitate the cut-off for the transition.
4. Indicate the local time on the count sheet and the last cash receipt and cash disbursement forms when the final count is conducted.
5. Send an email or memorandum to the CR and copy the Finance Manager of the reporting office noting the date and time of the transition, the names of the outgoing and incoming custodians, and the operating cash-on-hand balance at the time of the handover.
6. Send a copy of the final count sheet and of the month-to-date OCH Ledger to the reporting office; a hard copy of each is also retained by the outgoing custodian. The printed copy is retained by the reporting office and compared to the comparable entries in the final OCH Ledger for that month when it is submitted by the new custodian with the month-end financial reporting.
7. The outgoing custodian should give the incoming custodian the following:
   1. An electronic file containing the cumulative OCH Ledger
   2. All keys to the safe or storage box. If a combination lock is used, the combination to the lock should be given and the incoming custodian should change the combination.
   3. Full names, titles and cell phone numbers of CRS all employees working at the emergency site
   4. Names of local staff paid onsite in cash and their current pay rates (along with a copy of the last payroll register, if applicable)
   5. Original documentation supporting all transactions made to date during the transition month
   6. All unpaid bills, if any
   7. List of outstanding commitments, liabilities and advances, if any
   8. Copies of all active local agreements that have financial terms
   9. Original forms or templates, as applicable, for all financial forms used by the emergency office, including:
      * All unused Cash Receipt & Cash Disbursement Slips
      * OCH Count Sheets
      * Payment Requests
      * Substitute Invoices
      * Receiving Reports or Goods Receiving Notes
      * Timesheets for national staff or volunteers
      * Purchase Requisition Forms
      * Purchase Orders
      * Cash Transfer Between Offices Forms
      * Food for Work Payment Summary Sheets
      * Travel Advance Requests
      * Travel Expense Voucher (TEV) forms
      * Cash Forecast Forms (simplified).

## C:\Documents and Settings\restridg\Local Settings\Temporary Internet Files\Content.IE5\9H1BWU91\MCWB01518_0000[1].gif Opening Bank Accounts

**STANDARD**

Access to viable bank services is preferable to holding significant OCH balances at the office. When banking services are available near the field office location, the Emergency Team Leader must prioritize the opening of a local account. In some cases, CRS can open a local account at a branch of a bank where the CP already has an account. Other times, CRS must open an account at a new bank. Regardless, all new bank accounts for country programs are not to be opened without prior approval from CRS HQ Treasury.

**OCH CUSTODIAN WILL NEED**

New Bank Authorization Form

**STEPS TO OPEN A NEW BANK ACCOUNT**

1. Identify banks that exist in the area and services they provide. CRS prefers to do business with money center banks and large international reputable banks who offer electronic bank services consistent with International Electronic Banking Policy POL-FIN-TRE-005.05. The following banks have been pre-vetted by CRS HQ: Barclays Bank, Bank of the Philippines, Citibank, Ecobank, Standard Bank/Stanbic Bank, and Standard Chartered Bank.
2. Document assessment of banking environment including the types of services available and the associated fee structures. Choose a bank that provides secure banking services.
3. Obtain approval for the CR or his/her delegate to open the bank account. The CP must then obtain concurring approval from the Global Treasury Manager in HQ/Finance by submitting a written request with an explanation and justification for the new bank account to CRS HQ Treasury [bankrequests@crs.org](mailto:bankrequests@crs.org).
4. Upon receipt from approval CRS HQ Treasury, complete the **New Bank Authorization Form** and return itto [bankqurests@crs.org](mailto:bankqurests@crs.org) within 30 days of opening the new bank account.
5. The name of the Agency’s Chief Financial Officer must appear on all bank accounts as an authorized signatory. Exceptions for unusual circumstances may be requested from CRS HQ Treasury and documentation supporting the reason must be kept on file. Copies of signatory documentation are to be sent to [bankrequests@crs.org](mailto:bankrequests@crs.org).
6. Once a checking account balance is opened, OCH balances are liquidated immediately. Petty cash limits may be increased if the Team Leader requests and CR approves, but must remain limited to U.S. $1,000 per field office.

# APPENDICES

1. **Forms**
   1. Cash Receipt Slip
   2. Cash Transfer Between Offices Form
   3. Cash Disbursement Slip
   4. Substitute Invoice
   5. PFAFS Form
   6. Payment Request Form
   7. Vendor Advance Acknowledgement Form
   8. Travel Advance Form
   9. Travel Expense Voucher
   10. Goods Receipt Note
   11. OCH Count Sheet
   12. OCH Verification Sheet
   13. Petty Cash Count Sheet
   14. Simplified Cash Request Form
2. **Policies/Procedures**
   1. Resource Control in Cash Environments (PRO-FIN-CAS-007.01)
   2. Petty Cash Funds Procedure (PRO-FIN-CAS-007.02)
   3. Transaction Documentation Policy and Matrix (POL-FIN-DOC-008)
   4. Accounts Receivable Policy (POL-FIN-REC-009)
   5. Internal Control Policy (POL-FIN-ICS-024)
   6. Segregation of Duties Procedure (POL-FIN-ICS-024.03)
   7. Bank Account Control & Documentation Pol./Proc.( POL-FIN-TRE-005.04)
3. **Checklists**
   1. Regional & Country Level Checklist
   2. Pre-arrival Checklist
   3. Scenario Declaration Checklist
   4. Finance Handover Checklist
   5. OCH Handover Checklist
4. **OCH Ledger**

1. Click "Tools / Macro / Security" and select the Medium option. If the High Security option is selected: the macros will not work. If the Medium Security option is selected, each time you open files that contain VBA macros, you will be asked if you want to enable or disable them. Select "Enable." If the Low Security option is selected, the macros will work and you will not receive any warning messages*. However, this may put your computer at risk from macros in programs imported from unknown sources and is therefore NOT recommended.* [↑](#footnote-ref-1)
2. Security and Staff safety – Guidelines for CRS Field Workers – page 41 [↑](#footnote-ref-2)
3. The use of a substitute invoice/receipt should be only in exceptional cases as frequent use could be an indicator of abuse and fraud. [↑](#footnote-ref-3)
4. refer to the Purchase section the emergency manual (GET EXACT REFERENCE AND LINK HERE) [↑](#footnote-ref-4)