



BLANTYRE INTERNATIONAL UNIVERSITY

BIU FINANCIAL POLICY

January 2017

Private Bag 98, Blantyre, Malawi
Tel: +265 1 831516 | Fax: +265 1 831514
Email: info@biu.ac.mw
Website: www.biu.ac.mw



Contents

Guidelines for Financial Management	
The Auditor	3
Auditor Eligibility and Appointment:.....	3
University Property	3
Audit.....	3
Accounts	3
Financial Management and Administrative Policies in an Academic Institution	
Transfers to Revenue Account:.....	4
Finance Officer	4
Finance Committee	4
Remuneration.....	4
Salary Arrangements	
Salary Payment Date	5
Annual Increments	5
Housing.....	5
Salary Advance.....	5
Pension Scheme and Life Insurance.....	5
Full-Time Staff	5
Part-Time Staff	5
Leave	5
General University Regulations:.....	5
Payment of University Fees.....	6
Detailed Provisions of The Policy Administrative Implementation.....	6
Revenue	7
Main sources	7
Other sources.....	7
Revenue and Collection:	
Tuition fees	7
Student Enrolment Procedures and Steps.....	8
New students;.....	8
Student Registration	9
New students;.....	9
Continuing students;	9
Expenditure Procedures	9
Payroll Expenditure Procedures	10
Internal Control Measures on Expenditure.....	10
Cash Payment	10
Cheque payments.....	10
The Library	10
Use of Computers, Internet Facilities And Other Equipment.....	11
Blantyre International University Loan Scheme.....	11
Advantages of The New Loan Scheme	11



Guidelines for Financial Management

The Auditor:

The governing Board of the institution shall periodically designate an Auditor or Auditors for financial oversight. It is mandated that every appointed Auditor must be a member of the Society of Accountants in Malawi (SOCAM). Importantly, individuals who are, or whose partners are, affiliated with the institution's Board, Senate, any Faculty, or the Teaching or Administrative Staff of the University, shall be ineligible for appointment as Auditors. The Auditor's tenure shall span three calendar years, with remuneration being subject to determination by the Board or resolutions thereof.

Auditor Eligibility and Appointment:

In accordance with the institution's Constitution, Auditors for the University must be chosen by the Board from among individuals or firms practicing as public accountants in Malawi. Notably, certain individuals and entities are ineligible for Auditor appointment, including members of the Board or Senate, their business or professional partners, firms with Board or Senate members, and University staff. Moreover, individuals or firms with affiliations to the Board or Senate, including committee memberships, are precluded from serving as University Auditors. Auditors are appointed for one-year terms but may be reappointed.

University Property:

The University's assets encompass various sources, which include funds allocated by the Founder, acquisitions through donation, purchase, bequest, or other means, funds generated through its activities, and monetary or property contributions from individuals, organizations, or entities residing outside Malawi. Any written instrument conveying rights or interests in real or personal property to the University effectively transfers such property to the Board, within the bounds of legal regulations. The Board is responsible for the custody, management, and control of the University's assets in accordance with this Constitution.

Audit:

The Board is obliged to adhere to the stipulations of the Trustee Constitution at all times. The University's financial accounts must undergo an annual audit, conducted by Auditors appointed by the Board and following Statute XI. The Board is responsible for covering the associated fees, costs, and expenses. Auditors have the authority to request the production of financial documents, and they may summon individuals with pertinent knowledge of the University's affairs for examination in connection with the audit. Upon completing the audit, the Auditor shall submit a written report to the Board, covering the audit's overall findings and any specific matters as directed by the Board. The Board is mandated to review the report within two months of receipt.

Accounts:

All University funds are held in the name of the Board and are deposited into specific accounts, including the Endowment Fund, the special account, the capital account, and the revenue account. The Endowment Fund receives funds designated as such and is subject to capital expenditure restrictions. The special account holds monies donated for specific purposes that do not align with the Endowment Fund or other accounts. Capital expenditure funds for



construction and improvements are deposited into the capital account. The revenue account receives interest income from the Endowment Fund, student fees, grants, and donations for the University's general purposes.

The Board retains the prerogative to approve or decline donations for specific purposes based on the associated terms and conditions. Funds deposited in these accounts are to be utilized in accordance with their intended purposes, as stipulated by the Constitution and relevant regulations.

Financial Management and Administrative Policies in an Academic Institution

Transfers to Revenue Account:

Any sums transferred from the Endowment Fund or any other account to the revenue account, as well as any additional funds received by the Board that are not designated for other accounts, are to be utilized by the Board for the day-to-day management and operations of the University. The Board holds the authority to borrow sums, whether by overdraft or alternative means, as necessary to fulfill its responsibilities, subject to the provisions of this Constitution.

Finance Officer:

The Finance Officer, appointed by the Board, serves as the University's chief financial officer and treasurer. This individual is responsible for maintaining University accounts and inventories as determined by the Board. The Finance Officer operates under the guidance of the Finance Committee and is entitled to report directly to the Board on financial matters, financial policy, and expenditure. Moreover, they must provide necessary cooperation to the auditors during the audit process. The Finance Officer has the option to resign by providing written notice to the Board. Additionally, the Board may appoint a Deputy Finance Officer and Assistant Finance Officers to assist in their duties.

Finance Committee:

A Finance Committee, as established in paragraph 3, is responsible for advising the Board on various financial matters. The Board may delegate certain executive functions to the Finance Committee, subject to the overarching authority, control, and guidance of the Board. The Committee's areas of focus include investment and fund management, authorization of expenditure, budget preparation, expenditure control, and annual account presentation. The Chair of the Finance Committee is appointed from among the Board members nominated by the Chancellor and serves until the end of the third year following their appointment, with eligibility for reappointment. The Committee comprises the Chair, the Chairman of the Board, the Principal and Vice-Chancellor, Principals, two Senate representatives, and one person appointed by the Board. The Committee may co-opt additional members with the consent of the Board.

Remuneration:

Staff members' remuneration packages are determined by the Board and include fixed sums and hourly rates for teaching. The fixed amount covers various duties, comprising 30% of the total gross emoluments for each grade and scale, while the remaining 70% is based on actual teaching hours during the semester. Normal salaries are paid during University recess or staff leave, and no additional remuneration is provided for staff shortages or other reasons.



Salary Arrangement

Salary Payment date:

Staff salaries are disbursed in 12 equal monthly installments via direct transfer to their bank accounts. Salary payments are typically available on the 25th of the month unless it falls on a weekend or holiday, in which case payment occurs on the last working day before or the first working day after the 25th. In December, salaries are paid on the last working day before Christmas. Deductions are only made from staff members' salaries in compliance with legal requirements, court orders, or Board resolutions and agreements, or upon written request by the staff member.

Annual Increments:

All staff members receive an automatic annual increment on each annual anniversary of their appointment.

Housing:

The University does not provide free housing for its employees.

Salary Advance:

Staff members may request a salary advance to address emergency financial issues. Such an advance should not exceed half of the monthly basic salary and must be repaid in two installments. Approval for a salary advance is granted by the Vice Chancellor/Chancellor.

Pension Scheme and Life Insurance:

Full-time staff below the age of 50 are required to join the mandatory Pension Scheme and Life Cover under the Pension Act of 2011 through IndeTrust Limited. Contributions include 5% of the basic monthly salary from staff members and 10% from the University. The University pays the insurance premium, equivalent to one year's basic salary, as life cover for staff members. For staff over 50, the University contributes to the pension scheme at the same rate as if they were below 50, along with the staff members' monthly salaries.

Part-time staff are not eligible for the mandatory Pension Scheme and Life Cover under the Pension Act of 2011.

Leave:

Staff members are entitled to 28 days of annual leave, with academic staff typically taking leave in December and July during the academic year.

General University Regulations:

The University enforces various regulations to ensure the proper conduct of students and the preservation of University property. These regulations encompass:

- a) No smoking in designated areas.
- b) Handling University property with care to prevent damage.



- c) Prohibition against removing University furniture or property without proper authorization.
- d) Responsibility for the cost of repair or replacement for damaged or lost University property.
- e) Strict limitations on lending University property to students, authorized only by the Dean of Students or Registrar.

Payment of University Fees

Payment Deadline and Consequences:

- a) All fees, including registration, examination, tuition, and student union fees, are due on the first day of the semester in the academic year, unless a student obtains special permission to pay later.
- b) Students who are debtors to the University, i.e., those who have not paid all fees, are subject to the following restrictions:
 - (i) Ineligibility to sit for examinations.
 - (ii) Inability to access examination results.
 - (iii) Disqualification from receiving a University award.
 - (iv) Prevention from obtaining academic transcripts or certificates

Detailed Administrative Implementation Policy

CONTENTS

Item		Page
1	Revenue	1
2	Collection of revenue	1-2
3	Student enrolment procedures and steps	3
4	Student registration	3
5	Staff recruitment	4
6	Expenditure procedures	4
7	Payroll expenditure procedures	5
8	Internal control measures on expenditure	5
13	Loan Policy	7



Revenue

Main sources

- 1) Tuition fees
- 2) Application processing fees for new students

Other sources

- 1) Application form charges
- 2) Tuition fees (penalties) for additional subjects in excess of the maximum allowable of 6 per semester
- 3) Library fines
- 4) Dissertation charges for (incomplete dissertations)

Revenue and Collection

Tuition fees; payable through the bank

In full on registration or in instalments as follows;

- a) 1st instalment - at least 25% of the total tuition fees for the semester on registration,
- b) 2nd instalments - balance in full or at least 25% of total tuition fees by the end of the month following the month of registration,
- c) 3rd instalment - balance in full or at least 25% of total tuition fees by the end of the month following the month of the second instalment,
- d) 4th instalment - balance in full by the end of the month following the month of the third instalment,

A listing of all outstanding tuition fees balances to be printed, sent to the Chancellor's office and a general reminder to students pasted on the general notice board 10 days before the due date for instalments.

Application processing fees (K3, 000.00) payable through the bank

Payable on submission of application forms

Application forms (K200.00) payable in cash

Payable on request of application form

Tuition fees (penalties) payable through the bank

On collection of semester results



Payment through the banks

Students deposit either cheques or cash into the University's bank accounts namely the New Building Society (NBS), National Bank of Malawi (NBM), First Merchant Bank (FMB) and Ecobank. An authentic deposit slip is obtained and presented to the BIU cashier attached to the relevant University documentation (i.e. registration form or application form) depending on the stage of the enrolment process. **An authenticated deposit slip is one that bears an electronic receipt acknowledgement printed at the back of the deposit slip or has attached to it an electronic print out receipt from the bank.** A BIU receipt is then issued to the student. **NO RECEIPT IS ISSUED IF THE BANK DEPOSIT SLIP IS NOT AUTHENTICATED; A RECEIPT WILL ONLY BE ISSUED AFTER VERIFICATION OF THE DEPOSIT IS DONE WITH THE BANK.**

BIU receipts for cheque payments are only be issued after the cheque is cleared by the bank.

Cash receipts

Cash received by the BIU cashier for application forms or other unspecified revenues or transactions should be receipted and banked on the next working day following the date of receipt. Such cash receipts cannot be used or dispensed unless authorized by the Chancellor finance Office or any other authorizing Officer and only after the receipts have been recorded in the accounts.

Refundable deposit fund. (Subject to Boards approval)

Its introduction is meant to cushion the University against losses from vandalism, damages of property and loss of library books by students. The fund if created could be placed in an interest bearing account in order to cover inflation and other related student expenses.

Student Enrolment Procedures and Steps

New students;

- 1) Applications (forms) submitted to the Registrar's Office by prospective students with previous educational records (Certificates and transcripts of records) and a bank deposit slip for processing fees attached.
- 2) Prospective student's application assessed by the Registrar in conjunction with relevant academic departments to determine year of entry exemptions and other requirements.
- 3) A letter of admission in triplicate to the successful student applicant and copies of the same allocated as follows;
 - a) 1st copy to the accounts department with the application fees deposit slips attached.
 - b) 2nd copy to the Registrar's office to be filed in the students file
 - c) 3rd copy to the applicant



Student Registration

New students;

- 1) The student presents a copy of the letter of admission to the Registrar's Office for approval and confirmation (approval to be marked in red ink or other appropriate method that may be devised)
- 2) The student presents a copy of the approved letter of admission from the Registrar's office with the attached tuition fees bank deposit slips based on approved instalment or total fees to the cashier's office
- 3) The cashier gives the student a registration form in triplicate and issues a registration number for the semester which is written on the form by the cashier. Copies of the registration form are allocated to the Accounts and the Academic Department and the Registrar's Office.
- 4) Upon registration a student's account is automatically opened

Note; all students including old one have to reregister every semester.

Continuing students;

- 1) The student presents a copy of approved results from previous semesters with the attached tuition fees bank deposit slips based on approved instalment or total fees to the cashier's office.
- 2) The cashier gives the student a registration form in triplicate and issues a registration number for the semester which is written on the form by the cashier. Copies of the registration form are allocated to the Accounts and the Academic Department.
- 3) The cashier gives the student a registration form in triplicate and issues a registration number for the semester which is written on the form by the cashier. Copies of the registration form are allocated as follows.

1st Copy – Accounts department with deposit slip attached

2nd Copy – Academic department

3rd Copy- Registrars Office

Note for old students the old registration number is maintained with a new semester identification code annexed to the old number.

Expenditure Procedures

- 1) Expenditure requisitions are made by Department Heads, these are sent to the finance office where they are vetted and sent to the chancellor's office for approval
- 2) After the Chancellor's Office approval three quotations are obtained and the most competitive approved and a cheque issued.



- 3) The person making the purchase is required to bring a receipt and other supporting documentation to the accounts office.
- 4) A copy of the receipt and other supporting documentation is sent to the stores department for updating of stores records (Bin cards)

Note; Authorisation of payments is done by the Pro-Vice Chancellor/Finance Director.

Payroll Expenditure Procedures

- 1) The Finance Officer prepares the payroll.
- 2) Authorisation by the Pro-Vice Chancellor
- 3) Approval by the Chancellor.
- 4) Cheques are to be written by the Finance Officer and sent to the Chancellor's Office for approval having attached the relevant supporting documentation and a cheque payment voucher.

Internal Control Measures on Expenditure

Cash Payment

- 1) Petty cash payment vouchers are prepared by the cashier, approved by the Finance Officer and signed by the staff member collecting the cash. The vouchers and their supporting documents should be batched and filed in the Accounts Department for recording at the end of each work day.
- 2) The person who collects the cash and makes the purchase must bring a purchase receipt and other supporting documentation which must be addressed to BIU (Blantyre International University).
- 3) The Petty Cashier the payment voucher and it's supporting documents and delivers the batch to the accounts office.

Cheque payments

- 1) Cheque payment vouchers are prepared by the Accounts Office, having attached the approved quotation and other supporting documentation the batch is sent to the Chancellor's Office for approval and cheque signing.
- 2) After payment is made the payment voucher and attachments are filed in the accounts department according to banks from where the cheques are drawn.

The Library

Students and Staff members use library books within the library or taken outside. The Librarian makes sure that those using the books leave the books in good condition that those that are taken outside are properly recorded on the borrower's respective membership cards and returned in good condition and on time.



A fine is charged to students that return the books late and a claim is made against the book fund for those that are lost. We recommend that the same fine be charged to staff members for late returns of books and a claim for lost books should be done through payroll deductions.

Use of Computers, Internet Facilities And Other Equipment

Use of these facilities is restricted to the library room only, or otherwise with permission and authorization from the Librarian and the Registrar.

NOTE an inventory of Library books equipment and other facilities is maintained by the Librarian. Yearend inventory counts with the supervision of external Auditors are a must, Semester end and periodic surprise inventories will be undertaken as determined by management and the Internal Audit function.

Blantyre International University Loan Scheme

Blantyre International University encourages staff members who want loans to obtain such loans from commercial banks under the employer undertaking schemes. In view of the Pension Act requirements the University has now introduced a security deposit based loan scheme, it is a voluntary loan scheme whereby any staff member willing to join will be required to build up a deposit against which loans will be drawn. The scheme will operate as follows;

- 1) A fixed amount will be placed into the fund by the University; which will be the seed capital that will operate along the lines of a revolving fund
- 2) Under the scheme an amount is to be deposited with the Loans committee by the applying employee; say the equivalent of the particular employee's one month salary, through agreed monthly salary deductions, a lump-sum or instalment cash deposits. These deposits will be placed into an interest earning deposit account that will be payable (Principal+Interest) to the particular employee at the time of withdrawal from the scheme.
- 3) Loans up the equivalent value of the deposit can be accessed at any point in time.
- 4) All loans will attract a 5% Administration charge.
- 5) A loans Committee shall be set whose task will be to process loan applications.
- 6) Loans granted will be based on a recovery period determined by the statutorily allowable maximum deduction level of 30% of one's salary and the availability of money in the revolving fund. All loans will be recovered through monthly salary deductions.

Advantages of The New Loan Scheme

- 1) Simpler and faster loan processing procedures.
- 2) Avoidance of high interest charges by the commercial banks
- 3) Interest earned on the amount deposited is a saving in itself and will increase the loan value to be accessed over time.