



TANZANIA BASKETBALL FEDERATION

FINANCIAL REGULATIONS AND FINANCIAL RULES

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PREFACE

This booklet on Financial Regulations and Financial Rules is intended as an easy means of referral to the most up-to-date versions of both the Financial Regulations and the Financial Rules of the Tanzania Basketball Federation.

The Financial Regulations and Financial Rules are two separate frameworks that follow parallel processes.

1. The Financial Regulations govern the financial administration of the Federation; their establishment follows a three-stage process:
 - a. The Executive Committee considers the proposals of the Secretary General for recommendation to the Annual General Meeting;
 - b. The Annual General Meeting considers the proposals of the Secretary General and the recommendations of the Executive Committee; it then approves the revised Financial Regulations;
 - c. The revised Financial Regulations become effective.

2. The Financial Rules are established by the Executive Committee, including relevant guidelines and limits for the implementation of the Financial Regulations, in order to ensure effective financial administration, the exercise of economy, and safeguard of the assets of the Federation. It is a four-stage process:
 - a. The Executive Committee establishes and amends the Financial Rules;
 - b. The Board confirms the Financial Rules established by the Executive Committee, and amendments thereto;
 - c. The revised Financial Rules become effective;
 - d. The Annual General Meeting notes the new Financial Rules.

FINANCIAL REGULATIONS OF THE TANZANIA BASKETBALL FEDERATION

Regulation I – Applicability and Delegation of Authority

- 1.1. These Regulations shall govern the financial administration of the Tanzania Basketball Federation.
- 1.2. The President is responsible for ensuring effective financial administration of the Federation in accordance with these Regulations.
- 1.3. Without prejudice to Regulation 1.2 the President may delegate in writing to other officers of the Federation such authority and related accountability as he or she considers necessary for the effective implementation of these Regulations.
- 1.4. The Executive Committee shall establish Financial Rules, including relevant guidelines and limits for the implementation of these Regulations, in order to ensure effective financial administration and safeguard of the assets of the Federation.

Regulation II – The Financial Period

- 2.1. The financial period for the Federation budget shall be four consecutive calendar years beginning with each year being referred to as financial year.

Regulation III – The Budget

- 3.1. The budget estimates for the financial period, as referred to in Article 9 of the Constitution (hereinafter referred to as “budget proposals”), shall be prepared by the Secretary General. The budget proposals shall be presented in Tanzanian Shillings.
- 3.2. The budget proposals shall include such information, annexes and explanatory statements as may be requested by, or on behalf of, the Annual General Meeting and such further annexes or statements as the Secretary General may deem necessary and useful.
- 3.3. 3.3 The Secretary General shall submit the budget proposals at least 12 weeks before the Annual General Meeting (AGM), and before the opening of the appropriate session of the Executive Committee, at which they are to be considered.
- 3.4. The Executive Committee shall submit these proposals, and any recommendations it may have thereon, to the Annual General Meeting.
- 3.5. The budget for the following financial year shall be approved by the Annual General Meeting in the year preceding to which the budget proposals relate, after consideration and report on the proposals by the appropriate Board.

- 3.6. Should the Secretary General, at the time of the session of the Executive Committee that submits the budget proposals and its recommendations thereon to the Annual General Meeting, have information which indicates that there may, before the time of the Annual General Meeting, be a need to alter the proposals in the light of developments, he or she shall report thereon to the Executive Committee, which shall consider including in its recommendations to the Annual General Meeting an appropriate provision therefore.
- 3.7. Should developments subsequent to the Executive Committee that considers the budget proposals, or any of the recommendations made by it, necessitate or render desirable in the opinion of the Secretary General an alteration in the budget proposals, the Secretary General shall report thereon to the Annual General Meeting.
- 3.8. Supplementary proposals may be submitted to the Executive Committee by the Secretary General whenever necessary to increase the appropriations previously approved by the Annual General Meeting. Such proposals shall be submitted in a form and manner consistent with the budget proposals for the financial period.

Regulation IV – Budget Approval

- 4.1. The budget approved by the Annual General Meeting shall constitute an authorization to the Secretary General to incur contractual obligations and make payments for the purposes for which the budget was approved and up to the amounts so approved, subject to available funding.
- 4.2. Once the budget has been approved, commitments can be made by the Secretary General in the financial period to which they relate for delivery in that financial period or the subsequent calendar year, subject to available funding.
- 4.3. The Secretary General is authorized, with the prior concurrence of the Executive Committee or of the President to which he may delegate appropriate authority, to transfer credits between sections (i.e. commissions). The Secretary General shall report such transfers to the Executive Committee at its next session.
- 4.4. At the same time as budget proposals are approved a maximum limit facility shall be established by the Board, which shall set the maximum level that may be available to protect against losses on ad-hoc charges and fees not reflected on the approved budget. The purpose of the facility shall be to make it possible to maintain the level of the budget so that the activities that are represented by the budget approved by the Annual General Meeting may be carried out irrespective of the effect of any fluctuation of currencies, charges and fees.

Regulation V – Provision of Budget Funds

- 5.1. The budget shall be financed by assessed contributions from Members, according to the scale of assessments determined by the Annual General Meeting, by voluntary contributions, by projected interest earned, prior period collection of arrears and any other income attributable to the budget. Members' financial obligations under article 9.1 of the Constitution are limited to the assessed contributions.

- 5.2. The Annual General Meeting shall approve the amount to be financed by assessed contributions from member, and shall approve the amount to be raised by the Secretary General from voluntary sources.
 - 5.2.1. The amount to be financed by assessed contributions from Members shall be calculated after adjusting the total amount approved by the Annual General Meeting to reflect that proportion of the budget to be financed by the other sources noted in 5.1 above.
- 5.3. In the event that the total financing for the budget is less than the amount approved by the Annual General Meeting under the budget proposals, the Secretary General shall review implementation plans for the budget in order to make any adjustments that may be necessary.
- 5.4. Assessed contributions are made available for implementation on 1 January of each year of the financial period. Voluntary contributions are made available for implementation upon recording of agreements with the resource contributors.
- 5.5. The Secretary General shall submit to the Annual General Meeting annual reports on the collection of the contributions (both voluntary and assessed), and other sources of cash.

Regulation VI – Assessed Contributions

- 6.1. The assessed contributions of Members based on the scale of assessments shall be divided into two equal annual instalments in each of the financial year, the Annual General Meeting may decide to amend the scale of assessments to be applied to the each financial year of the financial period.
- 6.2. After the Annual General Meeting has adopted the budget, the Secretary General shall inform Members of their commitments in respect of assessed contributions for the financial period and request them to pay the first and second instalments of their contributions.
- 6.3. If the Annual General Meeting decides to amend the scale of assessments, or to adjust the amount of the budget to be financed by assessed contributions from Members for the coming financial year, the Secretary General shall inform Members of their revised commitments and shall request Members to pay the revised contributions.
- 6.4. Instalments of assessed contributions shall be due and payable as of 1 January of the year to which they relate.
- 6.5. As of 1 January of the following year, the unpaid balance of such assessed contributions shall be considered an arrear.
- 6.6. Where the total of annual assessed contributions for a Member is 100,000/-, that Member's contributions shall be assessed only in Tanzanian Shillings. The contributions shall be paid in either Tanzania Shillings, euros or Swiss francs, or such other currency or currencies as the amount might be equivalent to the required contributions.

- 6.7. The acceptance by the Secretary General of any currency that is not convertible shall be subject to a specific, annual approval on a case-by-case basis by the President. Such approvals will include any terms and conditions that the Secretary General considers necessary to protect the Tanzania Basketball Federation.
- 6.8. Payments made by a Member for assessed contributions shall be credited to the Member's account and applied first against the oldest amount outstanding.
- 6.9. Payments of assessed contributions in currencies other than Tanzanian Shillings shall be credited to Members' accounts at the Foreign Currency Bank Account ruling on the date of receipt by the Tanzania Basketball Federation.
- 6.10. New Members shall be required to make an assessed contribution for the financial period in which they become Members at rates to be determined by the Annual General Meeting. Such contributions shall be recorded as income in the year in which they are due.

Regulation VII – Working Capital Fund and Internal Borrowing

- 7.1. Pending the receipt of assessed contributions, implementation of that part of the budget financed from these contributions may be financed from the Working Capital Fund and thereafter by internal borrowing. The Annual General Meeting approves the amount of the Working Capital Fund. Internal borrowing may be made against available cash reserves of the Federation, excluding Trust Funds.
- 7.2. The level of the Working Capital Fund shall be based on a projection of financing requirements taking into consideration projected income and expenditure from assessed contributions. Any proposals that the Secretary General may make to the Annual General Meeting for varying the level of the Working Capital Fund from that previously approved shall be accompanied by an explanation demonstrating the need for the change.
- 7.3. Any repayments of borrowing under Regulation 7.1 shall be made from the collection of arrears of assessed contributions and shall be credited first against any internal borrowing outstanding and secondly against any borrowing outstanding from the Working Capital Fund.

Regulation VIII – Revenue: Other Sources

- 8.1. The Secretary General is delegated the authority, under Article 9.1 of the Constitution, to accept gifts and bequests, either in cash or in kind, provided that he or she has determined that such contributions can be used by the Federation, and that any conditions which may be attached to them are consistent with the objective and policies of the Federation.
- 8.2. The Secretary General is authorized to levy a charge on extra budgetary contributions in accordance with any applicable resolution of the Annual General Meeting. This charge shall be credited to the Special Account for Servicing Costs, together with any interest earnings or earnings from investments of extra budgetary contributions, and used to reimburse all, or part of, the indirect costs incurred by the Federation in respect of the generation and administration of such resources. All direct costs of the implementation of programmes that are financed by extra budgetary resources shall be charged against the relevant budget.

Regulation IX – Funds

- 9.1. Funds shall be established to enable the Federation to record income and expenditure. These funds shall cover all sources of income: regular budget, extra budgetary resources, Trust Funds, and any other source of income as may be appropriate.
- 9.2. Accounts shall be established for amounts received from sponsors and donors of extra budgetary contributions and for any Trust Funds so that relevant income and expenditures may be recorded and reported upon.
- 9.3. Other accounts shall be established as necessary as reserves or to meet the requirements of the administration of the Federation, including capital expenditure.
- 9.4. The Secretary General may establish revolving funds so that activities may be operated on a self- financing basis. The purpose of such accounts shall be reported to the Annual General Meeting, including details of sources of income and expenditures charged against such funds, and the disposition of any surplus balance at the end of a financial period.
- 9.5. The purpose of any account established under Regulations 9.3 and 9.4 shall be specified and shall be subject to these Financial Regulations and such Financial Rules as are established by the Executive Committee under Regulation 12.1, prudent financial management, and any specific conditions agreed with the appropriate authority.

Regulation X – Custody of Cash and Cash Equivalents

- 10.1. The Executive Committee shall designate the bank, banks, or financial institutions in which cash and cash equivalents in the custody of the Federation shall be kept.

Regulation XI – Investment of Cash and Cash Equivalents

- 11.1. Any cash not required for immediate payment may be invested and may be pooled in so far as this benefits the return that may be generated.
- 11.2. Income from investments shall be credited as income to the Special Account for Servicing Costs in accordance with Regulation 8.2, unless otherwise provided in the regulations, rules or resolutions relating to a specific fund or account.
- 11.3. Investment policies and guidelines shall be drawn up in accordance with best industry practice, having due regard for the preservation of capital and the return requirements of the Federation.

Regulation XII – Internal Control

- 12.1. The Executive Committee shall:
 - a. establish operating policies and procedures in order to ensure effective financial administration and safeguard the assets of the Federation;
 - b. designate the officers TBF may receive funds, incur financial commitments and make payments on behalf of the Federation;

- c. maintain an effective internal control structure to ensure the accomplishment of established objectives and goals for operations; the economical and efficient use of resources; the reliability and integrity of information; compliance with policies, plans, procedures, rules and regulations; and the safeguarding of assets;
- d. maintain an internal audit committee which shall be responsible for the review, evaluation and monitoring of the adequacy and effectiveness of the Federation's overall systems of internal control. For this purpose, all systems, processes, operations, functions and activities within the Federation shall be subject to such review, evaluation and monitoring.

Regulation XIII – Accounts and Financial Statements

- 13.1. The Secretary General shall establish such accounts as are necessary and shall maintain them in accordance with International Public Sector Accounting Standards.
- 13.2. Financial statements shall be prepared annually in accordance with International Public Sector Accounting Standards, together with such other information as may be necessary to indicate the current financial position of the Federation.
- 13.3. The financial statements shall be presented in Tanzanian Shillings. Keeping the accounting records may however, in such currency or currencies as the Executive Committee may deem necessary.
- 13.4. The financial statements shall be submitted to the External Auditor(s) not later than 31 March following the end of the year to which they relate.
- 13.5. The Secretary General may make such ex gratia payments as deemed to be necessary in the interest of the Federation. A statement of such payments shall be included with the final accounts.
- 13.6. The Annual General Meeting may authorize, after full investigation, the writing-off of the loss of any asset, other than arrears of contributions. A statement of such losses written off shall be included with the final accounts.

Regulation XIV – External Audit

- 14.1. External Auditor(s), each of whom shall be the Auditor-General mandated Office (or officer/Office holding equivalent title or status) of a government, shall be appointed by the Annual General Meeting. The term of office shall be four years, covering two budgetary periods, and can be renewed once for an additional term of four years. Only the Assembly may remove external Auditor appointed.
- 14.2. Subject to any special direction of the Annual General Meeting, each audit which the External Auditor(s) performs/performs shall be conducted in conformity with generally accepted common auditing standards and in accordance with the Additional Terms of Reference set out in the Appendix to these Regulations.
- 14.3. The External Auditor(s) may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Federation.
- 14.4. The External Auditor(s) shall be completely independent and solely responsible for the

conduct of the audit and, except as permitted under Regulation 14.7 below, any local or special examination.

- 14.5. The Annual General Meeting may request the External Auditor(s) to perform certain specific examinations and issue separate reports on the results.
- 14.6. The Secretary General shall provide the External Auditor(s) with the facilities required for the performance of the audit.
- 14.7. For the purpose of making a local or special examination or for effecting economies of audit cost, the External Auditor(s) may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm that, in the opinion of the External Auditor(s), is technically qualified.
- 14.8. The External Auditor(s) shall issue a report on the audit of the annual financial statements prepared by the Secretary General pursuant to Regulation XIII. The report shall include such information as he/she/they deem(s) necessary in regard to Regulation 14.3 and the Additional Terms of Reference.
- 14.9. The report(s) of the External Auditor(s) shall be transmitted through the Executive Committee, together with the audited financial statements, to the Annual General Meeting not later than 1 May following the end of the financial year to which the final accounts relate or any other timeframe agreed by AGM members. The Executive Committee shall examine the annual financial statements and the audit report(s) and shall forward them to the Annual General Meeting with such comments as it deems necessary.

Regulation XV – Resolutions involving Expenditures

- 15.1. Neither the Annual General Meeting nor the Board shall take a decision involving expenditures unless it has before it a report from the Secretary General on the administrative and financial implications of the proposal.
- 15.2. Where, in the opinion of the Executive Committee, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Annual General Meeting has made the necessary appropriations.

Regulation XVI – General Provisions

- 16.1. These Regulations shall be effective as of the date of their approval by the Annual General Meeting, unless otherwise specified by the Annual General Meeting. They may be amended only by the Annual General Meeting.
- 16.2. 16.2 In case of doubt as to the interpretation and application of any of the foregoing regulations, the President is authorized to rule thereon, subject to confirmation by the Annual General Meeting at its next session.
- 16.3. The Financial Rules established by the Secretary General as referred to in Regulation 1.4 above, and the amendments made by the Secretary General to such rules, shall enter into force after confirmation by the Executive Committee. They shall be reported upon to the Annual General Meeting for its information or further approval.

APPENDIX

ADDITIONAL TERMS OF REFERENCE GOVERNING THE EXTERNAL AUDIT OF THE TANZANIA BASKETBALL FEDERATION

1. The External Auditor(s) shall perform such audit of the accounts of the Tanzania Basketball Federation, including all Trust Funds and special accounts, as deemed necessary in order to satisfy himself/herself/themselves:
 - a. that the financial statements are in accord with the books and records of the Federation;
 - b. that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives;
 - c. that the securities and moneys on deposit and on hand have been verified by the certificates received direct from the Federation's depositories or by actual count;
 - d. that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;
 - e. that procedures satisfactory to the External Auditor(s) have been applied to the recording of all assets, liabilities, surpluses and deficits.
2. The External Auditor(s) shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examination and verification as he/she/they choose(s) of all financial records including those relating to supplies and equipment.
3. The External Auditor(s) and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor(s), necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor(s) for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor(s) and staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor(s) may draw the attention of the Annual General Meeting to any denial of information classified as privileged which, in his/her/their opinion, was required for the purpose of the audit.
4. The External Auditor(s) shall have no power to disallow items in the accounts but shall draw to the attention of the Board for appropriate action any transaction that creates doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Board.
5. The External Auditor(s) shall express and sign an opinion on the financial statements of the Federation. The opinion shall include the following basic elements:
 - a. identification of the financial statements audited;
 - b. a reference to the responsibility of the entity's management and responsibility of the External Auditor(s);
 - c. a reference to the audit standards followed;

- d. a description of the work performed;
 - e. an expression of opinion on the financial statements as to whether:
 - i. the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
 - ii. the financial statements were prepared in accordance with the stated accounting policies;
 - iii. the accounting policies were applied on a basis consistent with that of the preceding financial period;
 - f. an expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
 - g. the date of the opinion;
 - h. the External Auditor's(s') name and position;
 - i. the place where the report has been signed;
 - j. should it be necessary, a reference to the report of the External Auditor(s) on the financial statements.
6. The report of the External Auditor(s) to the Annual General Meeting on the financial operations of the period should mention:
- a. the type and scope of examination;
 - b. matters affecting the completeness or accuracy of the accounts, including where appropriate:
 - i. information necessary to the correct interpretation of the accounts;
 - ii. any amounts that ought to have been received but which have not been brought to account;
 - iii. any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
 - iv. expenditures not properly substantiated;
 - v. whether proper books of accounts have been kept; where in the presentation of statements there are deviations of a material nature from a consistent application of generally accepted accounting principles, these should be disclosed;
 - c. other matters that should be brought to the notice of the Annual General Meeting such as:
 - i. cases of fraud or presumptive fraud;
 - ii. wasteful or improper expenditure of the Federation's money or other assets (notwithstanding that the accounting for the transaction may be correct);
 - iii. expenditure likely to commit the Federation to further outlay on a large scale;
 - iv. any defect in the general system or detailed regulations governing the control of receipts and disbursements, or of supplies and equipment;
 - v. expenditure not in accordance with the intention of the Annual General Meeting, after making allowance for duly authorized transfers within the budget;
 - vi. expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
 - vii. expenditure not in conformity with the authority that governs it;
 - d. the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records. In addition, the report may contain reference to:
 - e. transactions accounted for in a previous financial period, concerning which further information has been obtained, or transactions in a later financial period

concerning which it seems desirable that the Annual General Meeting should have early knowledge.

7. 7. The External Auditor(s) may make such observations with respect to his/her/their findings resulting from the audit and such comments on the financial report as he/she/they deem(s) appropriate to the Annual General Meeting or to the Secretary General.
8. Whenever the External Auditor's(s') scope of audit is restricted, or insufficient evidence is available, the External Auditor's(s') opinion shall refer to this matter, making clear in the report the reasons for the comments and the effect on the financial position and the financial transactions as recorded.
9. In no case shall the External Auditor(s) include criticism in any report without first affording the Secretary General an adequate opportunity of explanation on the matter under observation.
10. The External Auditor(s) is/are not required to mention any matter referred to in the foregoing which is considered immaterial.

FINANCIAL RULES OF THE TANZANIA BASKETBALL FEDERATION

Rule I – Applicability and Delegation of Authority

- 101.1. These Financial Rules are established in accordance with Financial Regulation 1.4.
- 101.2. The Executive Committee is responsible to the Annual General Meeting for the implementation of the Financial Rules in order to ensure effective financial administration and safeguard of the assets of the Federation.
- 101.3. These Rules apply uniformly to all sources of funds, and all financial transactions of the Federation unless otherwise stated in these Rules.
- 101.4. The Financial Rules established by the Executive Committee, and any amendments thereto, shall enter into force after confirmation by the Board.
- 101.5. In case of doubt as to the interpretation and application of any of the Financial Rules, the Secretary General shall rule thereon.
- 101.6. In addition to the delegations of authority to designated officials expressed in these Financial Rules, and without prejudice to Financial Rule 101.2, the Secretary General may delegate in writing, together with authorization for re-delegation to other officers of the Federation, such authority considered necessary by the Secretary General for the implementation of these Rules, including for the issuance of operational procedures. All designated officials shall be responsible and accountable to the Secretary General for the exercise of any authority delegated to them.

Rule II – The Budget

- 102.1. Annual budget proposals, and supplementary proposals if appropriate, reflecting all sources of funds in such manner and at such times as may be required shall be drawn up and submitted by designated officials to the Secretary General.
- 102.2. In implementation of Financial Regulation 4.4, the Secretary General's budget proposals to the Annual General Meeting shall include proposals for the application and limit of the Exchange Rate Facility on the respective financial year.

Rule III – Budget Approval

- 103.1. The budget approved by the Annual General Meeting constitutes an authority to issue awards up to the amount approved to enable expenditures to be incurred for the purposes for which the budget is approved. The Secretary General may determine the maximum amount of the approved budget that it would be prudent to issue as awards taking into account the prospects for collection of contributions and the availability of both the Working Capital Fund and internal borrowing.

Rule IV – Financing

- 104.1. The assessments of Members, in accordance with Financial Regulations 5.1–5.2 shall be computed on the basis of the membership of the Federation as at the last day of the relevant Annual General Meeting.
- 104.2. In order that the Secretary General may accept payment of Members' assessed contributions under Financial Regulation 6.7, the following limits and guidelines shall apply:
- a. the amount due shall be expressed in Tanzania Shillings;
 - b. payments to TBF shall be required to be made on a specified dates to a specific bank account;
 - c. the amounts of any payment authorized shall be no greater than the expected net cash outflow of the Federation in the currency concerned;
 - d. for the purpose of crediting the relevant Members' account with TBF in Tanzania Shillings, effective on the date of receipt by TBF shall apply.
- 104.3. Any payments in currencies, other than those specified in Financial Regulation 6.6 (Tanzania Shillings, US dollars, euros or Swiss francs), that do not comply with the specific terms of any approval given by the Secretary General shall be automatically returned to the relevant member or stakeholder, and the assessed contribution concerned shall continue to be due and payable.
- 104.4. In order for authorizations to be issued for expenditure, financing must be available, taking account of revenue recognized in accordance with IPSAS, of availability of cash or cash equivalents or other acceptable forms of financing in amounts determined by designated officials.
- 104.5. The use of the Working Capital Fund and the amount of internal borrowing together shall not exceed the total amount of unpaid assessed contributions, and shall in any event not exceed 25% of the assessed contributions for the year concerned.
- 104.6. In formulating proposals to the Annual General Meeting to vary the level of the Working Capital Fund in accordance with Financial Regulation 7.2, the Secretary General shall take into consideration the level of internal borrowing that it would be prudent to incur and the limit specified in Financial Rule 104.5.
- 104.7. In accordance with Financial Regulation 7.1, in order to determine the level of reserves available to finance internal borrowing the Secretary General shall take into account the projected income and expenditure of each cash reserve.

Rule V – Funding from Awards for Approved Work plans

- 105.1. Funding from awards for approved work plans shall be issued to designated officials as authorization to incur expenditure.
- 105.2. Designated officials to whom funding from awards is issued are accountable to the Federation for the correct use of the resources made available.

Rule VI – Expenditure (Commitments)

- 106.1. In order to incur expenditure, commitments shall be made against award funding issued against approved work plans to designated officials.
- 106.2. Commitments may only be made by designated officials and shall be supported by satisfactory documentation. All commitments or undertakings that create liabilities against the resources of the Federation shall be represented by signed contracts or similar documentation that are prepared when the liability arises.
- 106.3. Commitments may be made only for the purpose indicated in the work plan and may not exceed the amount available in the award.
- 106.4. Proposals for expenditure, including procurement of goods and services, shall be rejected if they do not comply with the Financial Regulations, the present Rules, and the following conditions:
 - a. award funding is available;
 - b. the procedures of the Federation are being observed;
 - c. the financial situation of the Federation will not be prejudiced;
 - d. the purpose of the proposed expenditure is in the interests of the work of the Federation.
- 106.5. Revisions to a commitment shall be subject to the same procedure as the original commitment.
- 106.6. Ex gratia payments may be authorized by the President in accordance with Financial Regulation 13.5, provided such payments are justified in the interests of equity, or otherwise in the best interests of the Federation. Any such payment, together with an explanation of its justification, shall be promptly reported to both the External Auditor.

Rule VII – Internal Control

- 107.1. In order to ensure effective internal control within the Federation, in accordance with Financial Regulation XII, the Secretary General shall establish measures, including
 - i. an internal audit framework as set out in Financial Rule XII,
 - ii. appropriate delegations of authority,
 - iii. segregation of duties and
 - iv. other measures that are consistent with best financial practice.
- 107.2. Payments shall not be made in advance except as where otherwise specified in these Rules. Payments shall only be made on the basis of satisfactory supporting documents duly certified by designated officials confirming that:
 - a. services have been rendered or delivery has been completed in accordance with the terms of contract;
 - b. the amount is correct and in accordance with the terms of the contract.
- 107.3. As an exception and only where operationally justified, contracts or purchase orders may be entered into which require part payment in advance prior to the delivery of goods or performance of services. The justification for any such arrangements shall be fully documented.
- 107.4. In order for any contract or purchase order to be entered into requiring full payment in advance, the official requesting such terms shall provide full justification and demonstrate why such payment terms are necessary in the interest of the Federation. All such payment terms shall be subject to approval by designated officials.

- 107.5. Designated officials may authorize advances to staff members and other persons in connection with the execution of official duties for TBF and staff entitlements.
- 107.6. Funds of the Federation shall be deposited only in banks or financial institutions or invested with counterparties determined by the Secretary General in accordance with the investment policies referred to in Financial Rule 107.11.
- 107.7. The Secretary General shall designate officials to be responsible for all bank accounts, and for the management, receipt and disbursement of all funds of the Federation and proper accounting thereof.
- 107.8. Imprest account holders shall be accountable for all funds under their responsibility.
- 107.9. Panels of signatories shall be designated by officials authorized by the Secretary General. All payments from the Federation's bank accounts shall be signed by two officials of the appropriate panels. Where deemed necessary, in exceptional circumstances, those officials authorized to designate panels of signatories may authorize the signature of payments by one official only, provided that there are adequate safeguards for the protection of funds, including limits on the funds that may be paid from the account.
- 107.10. All securities shall be deposited in the custody of duly appointed banks or financial institutions designated by the Secretary General.
- 107.11. Investment policies shall be drawn up in accordance with Financial Regulation 11.3. An advisory committee shall assist the Secretary General in formulating these investment policies and in monitoring the performance of funds invested.

Rule VIII – The Accounts

- 108.1. The accounts shall comprise a consolidated general ledger of the Federation and subsidiary ledgers which shall include all financial transactions of the financial period in which they occur and which shall be accounted for on an accrual basis to enable the Federation to produce IPSAS- compliant financial statements. All periodic and other financial statements shall be prepared from these accounts.
- 108.2. Subject to Financial Rule 101.3, the Secretary General shall determine those parts of the Federation that shall be authorized to maintain their own accounting records, and which shall be reported periodically with the accounts of the Federation.
- 108.3. All financial transactions and statements shall be supported by documentation to be retained as an integral part of the official records of the Federation for such period or periods as may be agreed with the External Auditor, after which, on the authority of designated officials, such records and documents may be destroyed.
- 108.4. All accounting transactions shall be recorded in the general and subsidiary ledgers in accordance with a uniform chart of accounts.
- 108.5. Income and expenditure shall be recorded in accordance with a uniform system of classification.

Rule IX – Financial Statements

- 109.1. The Secretary General shall submit annual financial statements, taken from the accounts referred to in Financial Rule 108.1, to the Annual General Meeting and the Executive Committee or to such committees of the Executive Committee as may be responsible for review and comment thereon, no later than 1 May. Such financial statements shall be prepared in accordance with International Public Sector Accounting Standards (IPSAS), the Financial Regulations and the present Rules and shall include such other information as may be necessary to indicate the financial position of the Federation.
- 109.2. The annual financial reports shall also disclose any ex gratia payments and any losses of cash, supplies, equipment and other assets that have occurred during the period, indicating their treatment in the accounts.

Rule X – Property and Equipment

- 110.1. The acquisition and related depreciation of land, buildings and equipment shall be capitalized in the accounts in accordance with IPSAS. Property or equipment acquired under lease shall be capitalized or charged as expenditure in accordance with IPSAS.
- 110.2. Inventory records shall be maintained for all property and equipment.
- 110.3. Periodic physical inventories shall be taken of all property and equipment.
- 110.4. Property and equipment may be declared to be surplus if it is of no further use to the Federation and disposed of for the best possible return to the Federation, including part-exchange, except when (i) destruction will be more economical or is required by law or environmental considerations, or (ii) the best interest of the Federation will be served by disposal by gift or at a nominal price to a non-profit Federation.
- 110.5. The gain or loss from the derecognition of an item of property or equipment shall be included in surplus or deficit. However, if an item is being replaced, any gain on derecognition of the replaced article shall serve to contribute towards the expenditure incurred in replacing the item.
- 110.6. Subject to the provisions of Financial Rule 104.4, goods and services may be provided to governments, specialized agencies, and other international Federations on a reimbursable or reciprocal basis on such terms and conditions as may be approved by designated officials.

Rule XI – Procurement of Goods and Services

- 111.1. The Secretary General shall establish policies and procedures for the purchase of property, services, supplies, equipment or other requirements, and which shall set forth the requirements for invitations to tender and competitive bidding.
- 111.2. Contracts for the purchase of property, services, supplies, equipment or other requirements shall be entered into for and on behalf of the Federation only by designated officials.

- 111.3. All purchases and other contracts shall be made on the basis of competitive bids, except when otherwise authorized by designated officials.
- 111.4. Contracts are normally awarded to the lowest bidder. However, where it is considered to be in the interest of the Federation, the acceptance of a bid other than the lowest, or the rejection of all bids may be authorized by designated officials.

Rule XII – Internal Audit

- 112.1. The Office of Internal Oversight Committee (IOC) is responsible for internal audit, inspection, monitoring and evaluation of the adequacy and effectiveness of the Federation’s system of internal control, financial management and use of assets as well as investigation of misconduct and other irregular activities. All systems, processes, operations, functions and activities within the Federation are subject to IOC’s review, evaluation and oversight.
- 112.2. The Secretary General shall appoint a technically qualified head of IOC after consultation with the Executive Committee. The Secretary General shall likewise consult the Executive Committee before any termination of the incumbent of the office.
- 112.3. IOC shall function in accordance with the following provisions:
- a. the Chairman of IOC shall report directly to the Executive Committee;
 - b. IOC shall have full, free and prompt access to all records, property, personnel, operations and functions within the Federation which, in IOC’s opinion, are relevant to the subject matter under review;
 - c. IOC shall be available to receive directly from individual staff members complaints or information concerning the possible existence of fraud, waste, abuse of authority or other irregular activities. Confidentiality shall be respected at all times, and no reprisals shall be taken against staff members providing such information unless this was willfully provided with the knowledge that it was false or with intent to misinform;
 - d. IOC shall report the results of its work and make recommendations to the Board for action, with a copy to the President, Secretary General and the External Auditor. At the request of the Chairman of IOC, any such report shall be submitted first to the Executive Committee, together with the Secretary General’s comments thereon;
 - e. IOC shall submit a summary report annually to the President & Secretary General with a copy to the External Auditor on IOC’s activities, including the orientation and scope of such activities, as well as the implementation status of recommendations. This report shall be submitted to the Annual General Meeting together with comments deemed necessary.
- 112.4. The Secretary General shall ensure that all IOC recommendations are responded to and implemented as appropriate.