COVENANT UNIVERSITY

ALUMNI ASSOCIATION

FINANCE POLICY

Objective and Authority

The objective of this policy is to:

- Guide the process of budgeting for and financing the activities of Covenant University Alumni Association (“CUALA” or “the Association); and
- Specify the expense authorisation limits.

The Covenant University Alumni Association Executive Council (comprising of the current serving President and Vice Presidents) is ultimately responsible for the financial management of all activities. The Vice President (VP) Finance, with approval of the President, is authorised to act on the Association’s behalf on financial matters when action is required in advance of deliberations by the Executive Council.

Budget

- There is a revenue allocation process (for fund availability to directorates); however, the budgeting process is in place to ensure prudence of the association’s finances.

- Every directorate (department/office) shall present its budget and planned activities (stating the line activities, the respective months for execution of activities and the cost implication) for the financial year for deliberations and approval by the Executive Council before the end of the last month in the financial year. For example, welfare directorate/department could include a line activity on food discounts for August with a cost estimate of ₦X. This detail (s) should be shared before the end of December.

- Planned activities for each directorate/department may vary during the year but costs shall be within the approved budget. However, there is a 10% contingency provision embedded in the budget to address emergencies/unforeseen contingencies in any current financial year with a caveat that all total directorate/departmental expenses in a financial year shall not exceed the overall allocation to directorate/department activities.
- Budget allocations may be redirected from other directorates/departments with the approval of the President, Vice President Finance and the budget owner.
- Approval of the financial year (FY) budget is to be gotten on or before February of the FY.
- Budget control/monitoring is done via monthly reports to the Executive Council showing the budgeted items and actual spend by the association and breakdown of expenses by directorates/departments.

Directorate Funding

- Directorates/departments shall be largely funded by allocations of revenue from the prior financial year.
- Revenue sources for the Association include but are not limited to membership dues, service charges, grants, donations and income from business activities.
- Additional funds required for directorate/department activities above the annual allocation would be sourced by the respective Vice President, with support from the Vice President Finance. All Vice Presidents are responsible for raising funds for initiatives to be executed by their respective directorates/departments.
- Requests from chapter and flight coordinators shall be funded by the relevant directorate/department for the request nature.

Revenue Allocation

- Allocation of annual revenue earned in a financial year excluding donations received for specific purposes shall be allocated to activities in the next financial year as follows:
  - ✓ 20% investment to ensure sustainability of the association's funds;
  - ✓ 80% for directorate activities as follows:

Directorate	**Content**	**Allocation**
Business	○ Eagle enterprise support ○ CUALA business initiatives	6%
Careers	○ Eagles professional development initiatives ○ HR Consultancy Fees	6%
Communications	Publicity and communications support	3%
Community Engagement	○ Driving engagement on CUALA platforms	3%
University Relations	○ Support for CU events and projects ○ University development activities	6%
Welfare	○ Eagle welfare support ○ Support for other social impact initiatives	10%
Finance	Finance	4%
Secretariat	Administrative and secretariat expenses	30%
Chapters	Support for events, etc.	5%
Flights	Support for events, etc.	7%

- A tithe of 10% shall be paid on the annual cash profit (accounting profit plus non-cash expenses such as depreciation) to Living Faith Church.
- Administrative and operational expenses are included in the Secretariat expenses.

Donations

- General donations received during a financial year would be recorded as revenue for allocation in the next financial year.
- Donations received for specific projects would be allocated as follows: 20% would be considered as revenue for allocation in the following year and 80% dedicated to the project with balancing amounts retained for other welfare initiatives.
- All expenses wholly incurred for directorate/department initiatives would be charged to the budget of the relevant directorate/department.

Investment

- 20% of annual revenue would be earmarked for investments. Investments would be in low to medium-risk investment options and must be approved by the Board of Trustees. Interest from investments would be re-invested.
- Investment decisions shall be made via recommendations from the Vice President Finance and approval from the President/Board of Trustees. Investments would be monitored periodically by the Vice President Finance and appropriate action taken to ensure the preservation of funds.
- Withdrawals from the endowment fund for contingencies are limited to 1% of the fund balance as at the end of the prior financial year, subject to a maximum of one withdrawal per year and approval of the Endowment Fund Committee (EFC) and Board of Trustees.
- All withdrawals from the endowment fund for any of its target specific projects shall be via a circularized memo approved in line with quorum. Requests would originate from the requesting EFC sub-team lead.
- Endowment fund withdrawals shall not be used for operational and administrative expenses. The EFC policy specifies the uses of the Endowment Fund.

Financial Accounting

- Unaudited financial reports shall include budget-expense variance analyses for each directorate/department.

- Audited financial reports for a financial year shall be prepared before the end of Q2 of the next financial year.
- Financial reports shall be shared with the community via newsletters and on the association's website.

Expense Authorisation Limits

Authority	Limit
VP Finance	₦500,000
President	₦1,000,000
President + VP Finance	Above ₦1,000,000

Expense amounts above the approved annual budget must be pre-approved by the Board of Trustees.

Expenses requiring board approval would be channeled to the Board via email/memo and then implemented by the Vice President Finance/President.

Vendor Selection

- This is via an objective process detailed in the vendor selection policy.
- After careful selection, the concerned directorate/department requests for funds processing to the chosen vendor.

Accountability

Financial decisions would be communicated to the community via Newsletters.

Quarterly financial reports would also be shared with the community.

N.B: The association's financial year starts 1 January and ends 31 December.