

Hope for Tanzania Report to the Trustees on the Finances of Tuishime School – October 2012

General Accounting Practice and bank accounts

The spreadsheets left last time have been used by Anne. We improved on these and made things simpler for her and enabled better management information to be extracted regarding fees and expenditure. I went through bank reconciliation, and Anne has to check all entries against the fees chart from January 2012, which she has not yet done. Other points are.

- The parents of children pay all fees directly into two bank accounts (this is common practice also with Shalom). They submit their bank receipt direct to Anne and she enters this onto the fees records.
- A third bank account is used to place funds from the school fees account so that the staff pay goes directly into their bank accounts.
- All cash is paid straight into the respective bank, leaving only small sums in the office.
- The personal bank account for Naomi which has been used for HFT transfers, was seen by me and I identified the few HFT transactions remaining. This will no longer be used for HFT transactions.
- **A new bank account** has now been set up at TIB, which has lower charges than other banks and should now be used for international transfers from HFT. It has been set up correctly as a club / society corporate account in the name of HFT, not Naomi or Felix. The TIB is a development bank and it is possible for us to set up a dollars account for building only without any bother and it would simply be the same number with a suffix. Statements can be e-mailed to UK e-mail so we can track transfers. Withdrawals can be in Sterling enabling better exchange rates to be obtained locally.
- Rates and charges are: any withdrawal of foreign currency 0.5%. Any transfer into the account, the cost is USD 30. Transfers back to UK USD 30, twice and 0.5% fee (maximum charge is USD 250). Balance to open is USD 500.

Accounts for 2011.

I have received the cash book and fees book for the accounts to 31st December 2011. I have some work to do on these before providing the Trustees with a report.

Accounts for 2012

2012 has been characterised by a high expenditure on vehicles and some expenditure on coping with the cracking of walls in the classrooms as a result of some drilling next door. This has resulted in additional funds being required from HFT equivalent to one month's salaries Ts 7.5m. All the bank statements for the two fees accounts were seen by me as were all the statements for the pay bank account. The accounts to the middle of October 2012 are shown as Appendix A to this report. The income and expenditure on certain headings are also shown at Appendix B. These show.

- Classroom renovations repair due to cracking walls etc Ts 11m
- Building of additional classroom matched by loan Ts 20m
- Overspend on transport costs of Ts 14m
- Under spend on food and stationery of Ts 16m

Budget for 2013

I set up a budget spreadsheet and explained to Anne and Naomi how this worked.

- It allows all the salaries to be uplifted if necessary and we made sure that all existing staff were on it
- Pupil numbers were assumed to be as per the classes now, but moved on one year but the model allows these to be changed. The assumption is that 35 can be recruited for the New Year in the Baby class.
- The initial budget shows a Ts 11.8m deficit. This was assuming the costs of stationery and food were matched by expenditure and the level of motor vehicle costs were as large as 2012.
- Anne and Naomi will go through this and work out how to close this gap.
- Average calls size is 31. Shalom school, average is 35. An additional 30 pupils at the school would help close this gap. The gap only represents 6.3%.

The draft unresolved budget is shown as Appendix B to this report.

Sponsorship

At the present moment it is not clear what period the sponsorships have been for that have been received by Tuishime from HFT. It is recommended that in future this is made clearer in the transfers.

Internal finance support

Naomi has even from 2009, asked Fabian to help Anne with the accounts. I was not able to find out what he had done in the three years. In this time he has done a two year Masters degree in business. He has now arrived back at his normal job with the local Government and is taking the CIPFA professional exams with two modules of three exams each yet to take. These professional exams will enable him to better help with the Tuishime school. Both Felix and Naomi appear to have a high regard for him, but he might not have some of the detailed knowledge that I have brought to bear as yet. However I am happy he has the right attitude and will be of help when he gets more into the detail.

Dick Beath
October 2012

APPENDIX A

TUISHIME					
FINANCIAL STATEMENTS					
For the period to 31st December 2012					
As at 13th October 2012					
				Total	Total
				Ts	£
INCOME					
		School fees		95,534,000	38,214
		Meal Fees		28,725,000	11,490
		Transport fees		17,946,000	7,178
		Stationery		4,895,000	1,958
		Other fees		65,000	26
		Transfers from HFT sponsorship		13,681,600	5,473
		Other income		5,000,000	2,000
		Other income building		20,000,000	8,000
		TOTAL		185,846,600	74,339
EXPENDITURE					
		Food		(15,548,650)	(6,219)
		Administration		(21,587,650)	(8,635)
		Materials, books, paper etc		(2,018,100)	(807)
		Motor vehicle		(13,208,150)	(5,283)
		Motor vehicle repairs		(18,768,700)	(7,507)
		Exam fees		(209,800)	(84)
		Salaries		(63,569,000)	(25,428)
		Miscellaneous		(1,030,000)	(412)
		SENS membership		(8,000,000)	(3,200)
		Other capital spend		(30,541,000)	(12,216)
		Bank charges		(242,500)	(97)
				(174,723,550)	(69,889)
Excess of income over expenditure				11,123,050	4,449

APPENDIX B

TUISHIME										
FINANCIAL STATEMENTS										
For the period to 31st December 2012										
			Total	School fees	Meal Fees	Transport fees	Stationery	Other fees	Other income	Other income building
			Ts	Ts	Ts	Ts	Ts	Ts	Ts	Ts
INCOME										
	Internal income		152,165,000	95,534,000	28,725,000	17,946,000	4,895,000	65,000	5,000,000	
	Sponsorship		13,681,600	13,681,600						
	Loans		20,000,000							20,000,000
	TOTAL INCOME		185,846,600	109,215,600	28,725,000	17,946,000	4,895,000	65,000	5,000,000	20,000,000
EXPENDITURE										
	Salaries		(63,569,000)	(63,569,000)						
	Administration		(21,587,650)	(21,587,650)						
	Food		(15,548,650)		(15,548,650)					
	Materials, books, paper etc		(2,018,100)				(2,018,100)			
	Motor vehicle		(13,208,150)			(13,208,150)				
	Motor vehicle repairs		(18,768,700)			(18,768,700)				
	Miscellaneous		(1,030,000)						(1,030,000)	
	SENS membership		(8,000,000)	(8,000,000)						
	Bank charges		(242,500)	(242,500)						
	Exam fees		(209,800)	(209,800)						
	Other capital spend		(30,541,000)							(30,541,000)
	TOTAL EXPENDITURE		(174,723,550)	(93,608,950)	(15,548,650)	(31,976,850)	(2,018,100)	0	(1,030,000)	(30,541,000)
	BALANCES		11,123,050	15,606,650	13,176,350	(14,030,850)	2,876,900	65,000	3,970,000	(10,541,000)

APPENDIX C

TUI SHIME PRIMARY SCHOOL					
INCOME AND EXPENDITURE PROJECTED BUDGET FOR 2013					
2013					
		class size	Pupil / staff numbers	Rate	Proposed Annual Budget
				SDG	SDG
INCOME					
Based on number of pupils					
1	Baby	35	35		
1	Pre unit	31	31		
1	Class 1	34	34		
1	Class 2	38	38		
1	Class 3	25	25		
1	Class 4	41	41		
1	Class 5	32	32		
1	Class 6	34	34		
1	Class 7	24	24		
9	classes	33	294		
	Income from full paying students		270	140,000	113,400,000
	Income from Bursaries		24	180,000	12,960,000
	Income top up to bursaries		0		0
	Income for lunches		183	60,000	32,940,000
	Income from transport		86	90,000	23,220,000
	Income for stationery		294	20,000	5,880,000
TOTAL INCOME BUDGET					188,400,000

APPENDIX C (continued)

EXPENDITURE						
				Pupil / staff	Rate	Proposed Annual Budget
			SALARIES			
			Director	1.0	390,000	(4,680,000)
			Manager	1.0	340,000	(4,080,000)
			Head teacher	1.0	370,000	(4,440,000)
			Deputy head	1.0	340,000	(4,080,000)
			Academic teachers	1.0	350,000	(4,200,000)
			Asst Academic teachers	1.0	359,000	(4,308,000)
			Teachers	11.0		(36,420,000)
			Government teachers	2.0		(4,080,000)
			Branch nursery teachers	3.0		(4,320,000)
			All other non academic staff	10.0		(15,120,000)
			Sub Total salaries	32.0		(85,728,000)
			NON PAY EXPENDITURE			
			Food			(32,940,000)
			Administration			(25,905,180)
			Materials, books, paper etc			(5,880,000)
			Motor vehicle			(15,849,780)
			Motor vehicle repairs			(22,522,440)
			Exam fees			(251,760)
			Miscellaneous			(1,236,000)
			SENS membership			(9,600,000)
			Other spend building			
			Bank charges			(291,000)
			Sub Total Non Pay			(114,476,160)
			TOTAL EXPENDITURE BUDGET			(200,204,160)
			Excess of income over expenditure			(11,804,160)