



**REGIONAL CENTRE FOR ENERGY
AND
ENVIRONMENTAL SUSTAINABILITY
(RCEES)**

**FINANCIAL OPERATIONS POLICIES
AND PROCEDURES MANUAL**

2019

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ABBREVIATIONS AND ACRONYMS

AAU	Association of African Universities
ACE	Africa Centre of Excellence
DA	Designated Account
DLI	Disbursement-Linked Indicator
DLR	Disbursement-Linked Result
DoF	Director of Finance
EEP	Eligible Expenditure Program
FA	Financing Agreement
FMR	Financial Monitoring Reports
FM	Financial Management
FMS	Financial Management Specialist
GAAP	Generally Accepted Accounting Principles
GoG	Government of Ghana
GRV	Goods Received Voucher
ICSC	International Civil Service Commission
IDA	International Development Association
IFR	Interim Unaudited Financial Reports
IPSAs	International Public Sector Accounting Standards
ISA	International Standards on Auditing
MoF	Ministry of Finance
MOU	Memorandum of Understanding
NCTE	National Council for Tertiary Education
PFM	Public Financial Management
PFS	Project Financial Statements
PIS	Pay-in-Slip
POM	Project Operational Manual
RCEES	Regional Centre for Energy and Environmental Sustainability
RFU	Regional Facilitation Unit
SOE	Statement of Expenditure
TOR	Terms of Reference
UENR	University of Energy and Natural Resources
USD	United States Dollars

TIMELINES FOR ACTIVITIES AND REPORTING

Activity / Report	Time Line	Reference	Remarks
Submission of Annual Budget to World Bank through RFU	1 st November preceding fiscal year to which budget relates	Section 7.4;	DLI
Preparation of bank reconciliations of DAs	By 15 th working day of the next month	Section 14	
Physical count of Non-Current Assets	Every six months	Section 15	
Stock taking of Inventory	At year ends or more	Section 16	
Submission of interim unaudited financial statements to the World Bank through RFU	45 days at end of each calendar semester	Section 19.2	DLI 6
Submission of audited financial statements to the World Bank through RFU	Six (6) months after end of fiscal year	Section 20.3	DLI 6

1.0 BACKGROUND

1.1 The University of Energy and Natural Resources, (UENR) is one of the African universities that has won a World Bank grant from the Government of Ghana (GoG) under the auspices of the Africa Centre of Excellence (ACE) Development Impact Project. The ACE Project aims to strengthen regional capacity to deliver high quality postgraduate courses and to conduct and disseminate world-class applied research focused on solving development problems in the West African Sub-Region and Djibouti. UENR has established the Africa Centre for Energy and Environmental Sustainability (RCEES) to implement the Project in the University.

1.2 RCEES seeks to provide educational training at the graduate level (MSc/MPhil/PhD) on sustainable and clean energy, and environmental management for various stakeholders. The Centre will train more candidates by offering tailored postgraduate programmes and short courses in sustainable energy technologies and management. Apart from teaching and capacity building, the Centre will also conduct high value research that is critical to sustainable energy development. Key thematic research areas to be covered include the following:

- Research into the use of renewable energy, especially for the off-grid and island communities
- Development of energy transformation strategies – transition from the current supply systems to renewable power generation systems
- Strengthening the use of smart distributed technologies - Smart grid and smart distributed power generation systems, and energy efficiency
- Development of sustainable low-cost technologies for rural electrification
- Smart energy regulation and policy
- Environmental issues related to energy supply and demand and sustainable development

1.3 The proposed Centre will also engage in collaborative and cutting-edge research agenda with its educational partners in the Africa Sub-Region to create modern and new energy technology ideas to be disseminated in the public domain. The Centre will serve as an energy and environmental sustainability hub and consulting facility in the Africa Sub-Region for knowledge generation in sustainable energy technologies and environmental management.

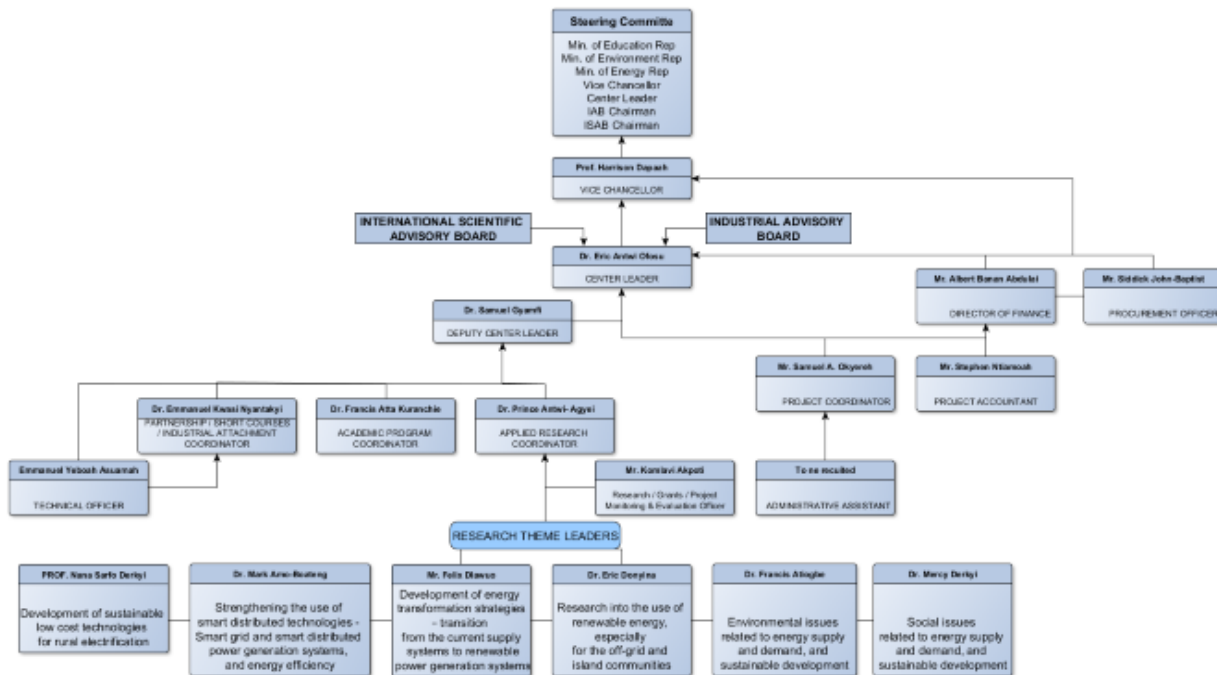
1.4 The RCEES Financial Operations Policies and Procedures Manual has been developed to provide the policy framework for the Centre's financial management in consonance with the financial management guidelines of projects funded by the World Bank.

2.0 RCEES MANAGEMENT AND ORGANOGRAM

2.1 The day-to-day implementation of the ACE Impact Project shall be undertaken by the Management of RCEES made up of the Centre Director, Centre Deputy Director, the Coordinators, the Director of Finance, the Project Accountant and Procurement Specialist.

2.2 The organogram of RCEES is shown below:

RCEES Organogram



3.0 PROJECT FINANCIAL MANAGEMENT

3.1 Project Financial Management is a process which brings together planning, budgeting, procurement, accounting, financial reporting, disbursement, internal control, and physical performance of the project with the aim of managing all the project resources properly to achieve the project’s development objectives.

3.2 Project Financial Management is a critical ingredient for project success. Timely and relevant financial information provides for better decisions, thereby speeding the physical progress of projects and the availability of funds, reducing, delays and bottlenecks. Sound project financial management provides the essential information needed by those who manage, implement and supervise the project. Sound project financial management also ensures that fiduciary risk is managed to achieve the project deliverables.

4.0 OBJECTIVE

4.1 The main objective of the Financial Operations Policies and Procedures Manual is to present the basic financial policies and procedures that shall be applied in the Centre’s financial operations in line with the World Bank project funded financial management guidelines including the Financing Agreement and Disbursement Letter. The financial operational guidelines are also in line with the Public Finance Management Act 2016 (Act 921) Public Procurement Act 2003 (Act 663) as amended.

5.0 INTERNAL CONTROLS

5.1 Internal control is a process for assuring achievement of an entity's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. The Internal Control System is developed by the Management of an entity to achieve the following objectives:

- Ensure efficiency and effectiveness of operations
- Ensure the accuracy and reliability of accounting data and reports
- Ensure compliance with applicable laws, regulations and policies
- Safeguard the assets of the entity.

5.2 The Management of the Centre shall be responsible for developing and implementing an Internal Control System to ensure the achievement of the above objectives.

5.3 The Centre shall maintain an adequate Internal Control system for the preparation and approval of transactions and the segregation of duties related to the operation of the Centre.

This Financial Operations Policies and Procedures Manual addresses the basic internal controls for the financial management of the Centre.

6.0 RESPONSIBILITIES

6.1 Steering Committee of the Centre

The Steering Committee of the Centre shall

- Provide policy direction and strategic guidance to the Centre.
- Have a responsibility of helping grow the Centre to achieve its vision of becoming a Global Centre of Excellence in its area of specialization
- Assist in linking the Center to key organizations and networks.
- Ensure the Centre Management complies with the operational guidelines outlined in this Manual.

6.2 Vice Chancellor

The Vice Chancellor shall provide oversight supervision and support to ensure implementation of the Project during its entire life cycle. The Vice Chancellor shall ensure the Centre complies with the operational guidelines of this Manual.

6.3 The Centre Management

The Centre Management shall ensure the implementation of the Project in compliance with the provisions of this Manual.

6.4 Centre Director

The key management roles of the Centre Director are:

- Developing activities to strengthen the quality of education
- Implementing activities to raise quality of education and research to impact more beneficiaries through networking with other higher education institutions through: (a)

partnerships with ACEs and other institutions and (b) partnerships with existing thematic networks in research and training

- Be responsible for networking with partner institutions within the country and sub-region and facilitate the signing of the Memorandum of Understanding (MoU) between RCEES and each partner institution
- Coordinate and provide assistance to partner institutions implementing project components
- Take initiative to undertake outreach activities including outreach to academic and industry partners to ensure the linkages between degrees offered and the labour market
- Implementation of the ACEs Project's monitoring and evaluation plan
- Manage project activities, and prepare annual work plans, and implement the plans
- Ensure the financial management of the Centre is in consonance with the guidelines set out in this Manual.

6.5 Deputy Centre Director

The Deputy Centre shall be responsible for the following:

- The day-to-day implementation of the project activities
- Assisting the Centre Director to implement detailed activities contained in the action plans
- Assisting the Centre Director to network with partner institutions within the country and sub-region and facilitate the signing of the partnership agreement and Memorandum of Understanding (MoU) between the Centre and each partner institution
- Assist the Centre Director to undertake outreach activities including outreach to academic and industry partners
- Act as the Centre Director in his absence.

6.6 Director of Finance

The Director of Finance has responsibility

- For the overall financial management of the Project and shall ensure the preparation and maintenance of the Financial Operations Policies and Procedures Manual. The Director of Finance shall ensure the Manual is in line with the World Bank project financial management guidelines, Financing Agreement and Disbursement Letter and the Public Financial Management Act 2016 (Act 921) and the Public Procurement Act 2003 (Act 663) as amended
- To ensure that the Centre manages its finances in accordance with this Financial Operations and Procedures Manual and other national applicable enactments
- Ensure the achievement of the Financial Disbursement Linked Indicators (DLIs) indicated in Appendix 1.
- For preparing the Terms of References (TOR) financial audits to the external auditors and submitting them to the World Bank for clearance.

6.7 Project Accountant

Under the supervision of the Director of Finance the Project Accountant shall be responsible for:

- Preparation of the annual budget of the Project
- Planning and making disbursements
- Data capture into the software system
- Analysis and reporting of financial transactions
- Maintenance of the Centre's stores
- Bank, Stock and other reconciliations
- Filing, storage and keeping of backups of financial records
- Preparation and maintenance of the Fixed Asset Register of the Centre
- Providing information and reports needed for audit and monitoring of the Project

6.8 Procurement Specialist

The Procurement Specialist shall:

- Lead and coordinate the development of the annual procurement plan for the Centre
- Coordinate the initiation of procurement packages in the procurement plan
- Be responsible for the preparation of tender documents
- Coordinate the placement of tender advertisements
- Coordinate and participate in tender opening meetings
- Coordinate and participate in the evaluation of tenders
- Coordinates and participate in contract negotiation if need be
- Coordinate writing of detailed evaluation reports
- Be responsible for drafting award notification and contracts
- Be responsible for drafting and distributing de-briefing letters
- Undertake Request for Quotation and Cash Purchases
- Be responsible for contract management
- Be responsible for coordinating disposal of the Centre's assets
- Be responsible for the Centre's procurement records management.

6.9 Internal Auditor

The Internal Auditor shall conduct pre-audits of the major financial transactions of the Centre and conduct post audit of the Centre to ensure compliance with this Manual and applicable national enactments. He shall conduct at least one audit per quarter in areas considered to be of high risk.

6.10 Audit Committee

The Audit Committee of the University shall monitor the implementation of all audit recommendations made by internal and external auditors.

6.11 All Staff of the Project

All staff executing the Project shall familiarize themselves with the provisions of this Manual and ensure compliance at all times for the entire duration of the Project.

7.0 ANNUAL WORK PLANNING AND BUDGETING

7.1 Project goals include completing the project on time and within the estimated cost. Project planning is a tool that is crucial in achieving these objectives.

7.2 The Director of Finance shall ensure the preparation of an Annual Budget for the Annual Work Programme of Activities proposed by the Centre Management for inclusion in the Project for each fiscal year for submission to the World Bank through the Regional Facilitation Unit (RFU).

7.3 The Director of Finance shall put procedures in place to collect information from the units within the Centre in charge of different components of the programme of activities for the preparation of the Annual Budget.

7.4 The Annual Budget shall be submitted not later than **1 November** preceding the fiscal year to which it relates.

7.5 The Budget should:

- Include estimates of the total funds needed to finance the programme of activities and should be presented by component and sub-component and based on the project's cost tables
- Be based on realistic and valid assumptions
- Be broken down into quarterly budgets
- Be prepared in sufficient detail to serve as a meaningful tool to monitor performance during implementation.

7.6 A summary of forecasted total project expenditure by disbursement category shall also be prepared per quarter.

7.7 Procurement expenditure for goods, works and services shall be extracted from the Annual Budget for the Preparation of the Procurement Plan by the Procurement Specialist. The Procurement Plan shall include:

- a detailed breakdown of the goods, works and services required;
- a schedule of the delivery, implementation or completion dates for all goods, works and services required;
- an estimate of the value of each package of goods, works and services required

7.8 The Annual Work Programme of Activities might be amended from time to time to include new activities with the prior and written concurrence of the World Bank. The Annual Budget shall accordingly be amended.

8.0 BANK ACCOUNTS AND SIGNATORIES

8.1 The Centre shall open Designated Accounts (DA) as is required by the World Bank in a financially sound bank which is in good standing. United States Dollar (USD) and other foreign currency accounts shall be opened for receiving funds from the World Bank and for other projects administered by the Centre.

8.2 In addition, separate Cedi Accounts may also be opened. Externally Generated Revenue (EGR), such as tuition and other student fees, research consultancies, fund raising and competitive grants earned by the Centre shall be deposited into the Cedi or Dollar Account Accounts as deemed appropriate.

8.3 All cheques and bank transfer letters shall be countersigned by two University signatories one of whom shall be in Category A and the other in Category B. The Director and Deputy Director of the Centre are signatories in Category A for the Centre's Designated Accounts and as a general rule shall be required to sign cheques and bank transfer letters for the financial transactions of the Centre with the Director of Finance and the Project Accountant.

9.0 WITHDRAWAL APPLICATION

9.1 The Director of Finance and the Project Accountant are designated as signatories for withdrawal applications on the World Bank Group Online Disbursement Portal.

9.2 The Director of Finance and Project Accountant shall submit specimens of their signatures and other required credentials to the World Bank to be placed on the World Bank Group Online Disbursement Portal.

10.0 FINANCIAL MANAGEMENT DISBURSEMENT LINKED INDICATORS (DLIs)

10.1 The funds of the Centre are allocated on the basis of a set of Disbursement Linked Indicators (DLIs)/Disbursement Linked Results (DLRs). These DLIs are pre-identified indicators that, once they are achieved by the Centre and DLRs are independently audited or verified, the Centre will receive a set amount of funds that will be predetermined for that specific DLI. More specifically, disbursements up to a maximum amount will be made on specific lines (Eligible Expenditure Programs - EEP) of the annual budget. These EEPs will include salaries, scholarships and Operating Costs.

10.2 Financial DLIs include the timely financial reporting on project funds, (the timely submission of periodical financial reports and annual financial statements in addition to audited financial statements).

10.3 The Director of Finance shall ensure the achievement of the results of the Financial DLIs for the Centre to receive the allocated funds from the World Bank.

10.4 The comprehensive list of the DLIs/DLRs which include the Financial DLIs are shown in Appendix 1 a-d.

11.0 ACCOUNTING SYSTEM AND PRINCIPAL ACCOUNTING POLICIES

11.1 The Accounting System gathers, processes and organizes accounting data in order to produce useful and timely financial reports. The financial transactions of the Centre shall be captured and processed in a timely manner and reported periodically as required by the World Bank.

11.2 The Centre shall not later than **six months** of the effective date of the Project procure an accounting software through competitive tender. The software shall meet the World Bank requirements with regard to modules and requisite Chart of Accounts, integration, data capture, reports and timely reporting.

11.3 The Centre's financial statements are donor-specific and shall be prepared in accordance with the requirements of the Financing Agreement, as well as International Public Sector Accounting Standards (IPSAs).

Principal Accounting Policies

11.4. The principal accounting policies adopted in the preparation of the Centre's financial statements are set out below:

- a) Basis of Accounting: The recording of transactions under the Project follows the IPSAs - Cash Basis of accounting which allows for the recognition of cash inflows in the period they are received from the World Bank and the reporting of expenses in the period those expenditures are paid.
- b) Consistency - Consistent accounting methods will be applied from one period to another. However, if any change in accounting method is warranted it will be identified and the effect on the reported results fully disclosed in accordance with Generally Accepted Accounting Principles (GAAP).
- c) Currency Translation - The Financial Statements of the Centre shall be presented in **United States Dollars (USD)**. Transactions and balances expressed in currencies other than USD are treated as follows:

The transactions during the year are converted into US Dollars at the rates ruling at the transaction dates. Assets and Liabilities that are expressed in other currencies are translated to USD at the rates prevailing at the period end.

12.0 ACCOUNTING FOR INCOME

Receiving and Receipting of Incomes

12.1 The Director of Finance shall receive on behalf of the Centre all grants, assets and revenues accruing to the Centre. He shall be responsible to the Vice Chancellor and the Steering Committee of the Centre through the Centre Management for the safe custody and proper disposition of all funds and assets of the Centre.

Receipts of Grants from the World Bank

12.2 Any Transfers from the World Bank into the Designated Bank Accounts shall be acknowledged by issue of receipts and entered into the Cash Book.

Accessing of Project Funds from the World Bank

12.3 Based on the Disbursement Letter, the following Disbursement Methods may be used by the Centre to access funds from the World Bank.

- Reimbursement
- Advance
- Direct Payment
- Special Commitments.

Reimbursement

12.4 Pursuant to the Financing Agreement and the Disbursement Letter, the World Bank may reimburse the Centre for eligible expenditures pre-financed by the Centre.

Copies of relevant documents (invoices receipts, Summary Accounts, etc., shall be provided as evidence of such expenditure to the World Bank.

Advance

12.5 Pursuant to the Financing Agreement and the Disbursement Letter, the World Bank may advance funds to the Centre by paying the money into the Designated Account of the Centre to finance eligible expenditure as they are incurred and for which supporting documents will be provided at a later date.

Direct Payment

12.6 Pursuant to the Financing Agreement and the Disbursement Letter, the Centre may request the Bank to make payments direct to suppliers/contractors for goods supplied/contracts executed. Copies of the applicable documents (Contract Award Letters, Goods Received Vouchers (GRV), Invoices, Certificates, Service Delivery Report) shall be submitted to the World Bank in support of the transactions.

Special Commitments

12.7 The World Bank may pay amounts to a third party for eligible expenditure under special commitments entered into, in writing, at the Centre's request and on terms and conditions agreed between the Bank and the Government of Ghana (GoG).

Receipt of School Fees and other Fee Incomes

12.8 School fees for all graduate programmes shall be deposited into the Designated Accounts of the School of Graduate Studies as required by the University financial regulations.

12.9 The share of the student fee income for the Centre shall be transferred to the Designated Accounts of the Centre by the University.

12.10 Fees from consultancies and short courses run by the Centre shall be deposited directly into the Designated Accounts of the Centre.

Controls over Receipts of Income

12.11 An official receipt shall be issued for fees and charges paid upon the submission of a valid pay-in-slip (PIS). Official receipts shall also be issued for all other payments made to the Centre in cash, by cheque or by bank transfer.

12.12 Official receipts issued for PIS shall be reconciled with the bank statement not later than one month after the end of the registration of students for the semester.

12.13 Income to the Centre may be paid to the Centre in cash. Official receipts shall be issued when the payment is made. Monies received in Cash for the Centre:

- Shall be recorded and balanced on daily basis.
- Shall be banked not later than the close of the next working day following the receipts of the funds.
- Shall be banked intact and no payment shall be made out of amounts collected before banking.
- Shall be kept in the safe under lock and key until it is banked.
- No personal money or property shall be kept in the safe.

Cash Surpluses

12.14 Any unexplained cash surpluses shall be promptly brought into account as revenue by the issue of a receipt for the surplus. Cash surpluses may not be set-off against subsequent shortages unless the Director of Finance, after investigation, is satisfied that any such surpluses relate to a specific shortage and gives his written authority for such set-off.

13.0 ACCOUNTING FOR EXPENDITURE

Authorization for Expenditure

13.1 The Vice Chancellor is responsible for authorizing expenditure transactions, including procurement within his threshold, for the Centre.

13.2 Based on the current threshold provisions for procurement by the Entity Head, the Vice Chancellor has delegated authorization of procurement transactions and other expenditure of up to **40% (GH¢40,000)** for goods and services and **40% (GH¢60,000)** for works to the Centre Director.

Eligible Expenditure

13.3 Only expenditure incurred for the approved activities of the Centre (eligible expenditure) shall be paid for. A list of eligible expenditure is indicated in the Financing Agreement and the Disbursement Letter are reproduced in Appendix???????

Procurement

13.4 The overall objective of the procurement system is to provide value for money in the procurement of goods, services and works and ensure that funds are spent in a transparent, efficient and fair manner. The procurement system aims at procuring goods, services and works of the right quality, at the right price, at the right time and at the right place through an open competitive tendering process.

13.5 Details of procedures for procurement for goods, works and services are contained in the Manuals - Public Procurement Act, 2003 (Act 663) as amended.

Controls over Payments emanating from Procurement

13.6 Unless otherwise stated in the Award Letter, payment for procurement transactions as a general rule, shall be made only after the delivery of goods/services or execution of works.

13.7 However, in special circumstances where it is not possible to take delivery of the goods/services or execute a works contract before making payment, an advance payment may be requested through the Procurement Office to undertake the procurement.

13.8 On the delivery of goods/performance of a service/execution of works contract, the Procurement Specialist shall advise the Director of Finance to make payment.

13.9 Payment for goods/services shall be made on submission of the following documents: Contract Award Letter, Service Delivery Report, Goods Received Voucher (GRV), a VAT invoice where applicable.

13.10 Payment for works shall be made on submission of the following documents: Contract Award Letter, Works Certificate and where appropriate, pictures showing the progress of construction of the project.

13.11 The documents specified in paragraphs 13.9 and 13.10 shall be routed through the Procurement Specialist who shall advise the Director of Finance to make payment and keep copies for the procurement record.

Payroll Cost

13.11 The University shall pay the salaries of faculty and administrative staff who are employed by the University but are engaged to work for the Centre. Other staff (full time part-time) specifically engaged by the Centre shall be paid from the Project funds at the University salary rates. The University conditions of service shall apply to these staff and any financial commitments emanating from the University conditions of services shall be paid from the Project funds.

13.12 The Centre may engage consultants for specific assignments according to laid down procurement procedures.

Staff Motivation

13.13 Pecuniary motivation for staff and the Steering Committee shall be financed through the Externally Generated Funds of the Centre according to the Staff Motivation Policy of the Centre.

Controls over Payroll

13.14 Staff of the Centre who have been employed by the University shall be paid by the University. Staff appointed and specifically attached to the Centre shall be paid by the Centre from the Project funds.

Consultants engaged by the Centre shall be paid based on the terms of engagement as stated in their appointment letters.

13.15 The authority for payment of salaries to full-time or part-time employees engaged specifically for the Centre is the letter of appointment duly signed by the Registrar. All additions to and removal from the payroll shall be done upon receipt of a letter duly signed by the Registrar.

13.16 Full-time employee shall be put on the Centre Payroll upon receipt of the following:

- An appointment Letter duly signed by the Registrar
- A Letter of Acceptance from the staff
- A Letter from the Centre Director through the Registrar confirming assumption of duty at the Centre
- Bank Account details for the staff.

13.17 All requests for extra working hours shall be approved by the Centre Director. Part-time salary claims and claims for call-in allowances shall be processed for payment upon receipt of completed standardized form(s) duly endorsed by the Centre Director.

Student Scholarships

13.18 Disbursement to Students eligible for scholarship under the Project shall be made according to the Financing Agreement and the Grant Disbursement Letter.

Travelling & Transport Claims

13.19 Claims for official internal travel expenses shall be submitted on appropriate forms through the Centre Director for approval. No one shall authorize the re-imbursment of his own claims or expenses. All such claims should be authorized by a senior officer.

13.20 Transport allowances (per diems) are governed by the conditions of service of the University and applicable rates approved by the University Council from time to time.

13.21 The prevailing rates of daily subsistence allowance for International Civil Service Commission (ICSC) shall be used for payment for official foreign travels.

13.22 Travel allowances (per diems/daily subsistence allowances) shall be paid in full if accommodation and meals are not provided. It shall be abated to 2/3 if accommodation is provided and to 1/3 if both accommodation and meals are provided.

Petty Cash

13.23 The overall oversight of petty cash fund administration under the imprest system is the responsibility of the Director of Finance, who authorizes establishment or modification with the approval of the Center Leader.

13.24 The Centre shall maintain petty cash to meet the cash requirements for emergency eligible minor expenditure. The petty cash float for the Centre Director shall be **GH¢5,000**. This amount may be increased from time to time depending on circumstances with the approval of the Director of Finance. Various coordinators of the Project may apply for imprest to run various programmes.

13.25 Each approved petty cash fund shall have a custodian, who is responsible for maintaining the fund, reconciling the funds on a regular basis, maintaining required records regarding disbursements that have been made from the fund and having the fund replenished. The designated approver of petty cash shall be the Centre Director and the Director of Finance.

13.26 All disbursements made from the petty cash fund will require a petty cash request form and a petty cash voucher duly signed by the recipient. The request form and voucher should also be approved by designated approver.

13.27 The disbursement limit for petty cash funds is **GH200** per transaction except for purchase of fuel. However, petty cash requests greater than this limit can be advanced subject to prior approval by the Director of Finance.

13.28 At all times, total petty cash on hand plus receipts for expenses paid must equal the amount of the established petty cash fund. The petty cash fund should be periodically retired by the custodian.

13.29 A petty cash retirement form shall be used for the retirement of petty cash. The retirement form consists of the expenditure summary and the expenditure details sheet. The summary indicates the total expenditure per budget line. In addition to this, the custodian shall attach a sheet containing every expense paid for the period of retirement and the supporting documents. This retirement should be approved by the designated approver and forwarded to the Project Accountant for replenishment.

13.30 Receipts shall be submitted as evidence of the expenditure made. Where for any valid reason(s), no receipt is obtained from the payee, a Certificate of Honour shall be attached to the payment vouchers.

Special Accountable Imprest

13.31 Special Accountable imprest may be issued to staff to purchase specific goods/services. As a general rule, Special Accountable Imprest will be granted for field trips and other travel related expenditure. However, Special Accountable Imprest may be advanced to the Procurement Specialist to undertake procurement for the Centre as indicated in Section 13.7 above.

13.32 Applications for Special Accountable Imprest must be made in writing, signed and submitted to the Centre Director for approval and forwarded to the Director of Finance. The amount requested should be a reasonable estimate of the cost to be incurred.

13.33 Approved Special Accountable Imprest shall only be used for the purpose for which it was requested.

13.34 Imprest advanced to staff will be charged to the staff member's account until retired.

13.35 Special Accountable Imprest shall be retired within a maximum period of **21 days** of collecting the imprest. Special Accountable Imprest for field trips which are normally of a long duration shall be retired at the **end of three months**.

13.36 Special Accountable Imprest shall be retired using an imprest retirement form. Receipts shall be submitted as evidence of the expenditure made. Where for any valid reason(s), no receipt is obtained from the payee, a Certificate of Honour shall be attached to the payment vouchers.

13.37 Any unretired imprest will be recovered from the staff through the payroll plus interest at the prevailing interest rate.

13.38 No cash shall be advanced while an advance previously taken by the same staff has not been retired,

General Controls Over Expenditure

13.39 All payments for goods, services and works shall be made on officially designed payment vouchers or on such other forms as may be approved by the Director of Finance.

13.40 All expenditure requests shall be approved by the authorized officers before they can be processed for payment.

13.41 No person shall approve expenditure relating to his/her personal interest (e.g., refund of expenditure incurred)

13.42 All disbursements, except petty cash, must be made by cheque or bank transfer.

13.43 No cheques are to be signed until completely prepared and accompanied by supporting documentation.

13.44 Cheques shall not be issued on the basis of verbal authority.

13.45 When cheques are submitted for signature, a voucher along with supporting documents should be presented. Invoices and payment vouchers should be marked "PAID" and the cheque number, and date should be posted to the invoice and payment voucher to prevent their resubmission.

13.46 Receipts must be obtained from suppliers and contractors for payment made to them.

13.47 All imprests, (Petty Cash and Special Accountable) shall be retired on or before the last day of the University's financial year for which they were issued. It is mandatory for all imprest holders to retire imprests before they are issued with fresh imprests at the beginning of the financial year.

14.0 BANK RECONCILIATION

14.1 The Project Accountant is responsible for requesting for monthly bank statements of the Designated Accounts and having them reconciled against receipts and payments maintained in the software system on monthly basis.

14.2 Monthly Bank Reconciliations should be independently reviewed by the Project Accountant. The sequence of cheque numbers is to be accounted for when reconciling the bank statements.

14.3 Any discrepancies found on the bank statement must be resolved with the bank as soon as practicable.

15.0 MANAGEMENT OF NON-CURRENT ASSETS

Controls over Non-Current Assets

15.1 The Centre shall keep an up-to-date register of all its assets acquired under the Project. The purpose is to meet donor requirements by way of submitting timely capital equipment reports. Additionally, it will ensure accountability for all the Centre's assets as it will facilitate the monitoring of the status of each asset.

15.2 All the assets of the Centre shall be coded in a logical manner having regard to the nature of the asset. When designing a coding system, the following principles should be adhered to;

- a) Simplicity - to ensure the code is easy to use and also to minimize likelihood of errors.
- b) Unambiguity - each code should only refer to one asset.
- c) Flexibility - the code should be possible to add further categories
- d) Brevity - code should be kept short for ease of use and to reduce the chance of errors.

An alphanumeric code with references to the Centre, the University and the unique asset number shall be adopted.

15.3 Every six months, the Project Accountant should conduct a physical count of all the items contained in the Asset Register. The counts should be compared to balances per the perpetual records. Missing items should be investigated, analyzed and resolved, for possible control deficiencies.

15.4 For better control over assets, the software to be acquired shall have a fixed asset management module.

Disposal of Non-Current Assets

15.5 Disposal of Non-Current Assets shall be done in accordance with the provisions of the Public Procurement Act 2003 (Act 663) as amended.

16.0 MANAGEMENT OF INVENTORY

16.1 The Centre shall operate a store where common user items shall be procured and stocked. A simple stores ledger record shall be kept for each item in stock such as A4 sheets, file covers etc. All new purchases shall be duly recorded in the ledger and all issues shall equally be recorded. Thus, the balance in stock for each item will be shown at any point in time. This will ensure that:

- a) There is an accurate and up to date list of the stock held, indicating stock levels
- b) High demand items are easily identified and efficiently procured
- c) Stock items are maintained at optimum levels, to minimize supply delays, whilst maximizing the investment of funds
- d) There is accountability in the use of stock items.

Stock taking

16.2 The Project Accountant shall conduct stock taking at the end of the financial year and at other times as may be directed by the Director of Finance. The stock taking shall be observed by the Internal Auditor. External Auditors may be invited to observe the stock-taking.

17.0 MANAGEMENT OF VALUE BOOKS

17.1 The value books of the Centre include but are not limited to:

1. Official receipts
2. Goods Received Vouchers (GRVs)
3. Requisition books
4. Cheque books

17.2 The Centre Director may request for the following value books from the University's Main store or request for them to be procured for use by the Centre.

- a. Official receipts
- b. Goods Received Vouchers (GRVs)
- c. Requisition book

17.3 The project Accountant shall also request for cheque books from the Designated Bank(s).

Register of Value books

17.4 A register of each value book shall be maintained. The following detailed information shall be recorded for each value book:

- a. Date of receipt
- b. Serial no. (from-to)
- c. Date of issue
- d. Person to whom it is issued (where applicable)
- e. Date of completion
- f. Signatures for Issue and return

17.5 The Project Accountant shall ensure that value books are kept under lock and key in the safe.

17.6 All documents and other valuables, except money, which are kept in safe, shall be recorded in a register to be kept by Project Accountant. The Director of Finance and the Internal Auditor shall have access to the register of contents in the safe.

17.7 All cancelled leaflets of value books shall be retained in the value book.

18.0 PROJECT RECORDS AND FILING

Processing Transactions

18.1 The Project Accountant is responsible for processing, recording and reconciling transactions. Before processing and recording any transaction, the Project Accountant should reconcile all the supporting documents to identify and investigate differences and take corrective actions to resolve the differences if any. After ensuring that all supporting documents are complete and accurate, the Project Accountant should record the transaction in the accounting software.

Maintenance of Records

18.2 Financial records must be created and preserved for every financial transaction performed under the Centre. The objective of this procedure is to preserve the financial records and files for financial audit and for reviews by the World Bank during the supervisory missions.

18.3 Financial records are defined as all documents received by the Centre such as supplier invoices and receipts, waybills, bank statements, World Bank documents etc. It also includes documents generated internally by the Centre such as goods received vouchers, journal vouchers, internal forms, memos, e-mails, financial reports (monthly & quarterly), withdrawal applications, bank reconciliation statements, etc. within the framework of the Project's official activities.

Filing of the financial records

18.4 Arch-files or other appropriate files shall be used to file all financial records of the Centre for easy retrieval.

18.5 The Project Accountant is responsible for filing the financial records created or received by the Centre. To fulfill this responsibility, the Project Accountant must maintain chronological files in which the financial documents have to be filed for future reference. Filing should be performed daily to prevent the accumulation of papers and to ensure that the financial records are maintained in an up-to-date manner at all times.

18.6 Each financial record should be filed under its code in a chronological order, with a sequential number assigned to every document. Any kind of additions or amendments to the financial document should be filed in a chronological order immediately following the principal document.

Archiving of financial records:

18.7 In order to prevent an unnecessary pile-up of files in a limited office space, the Project Accountant should ensure the archival of the financial records. Once a year, the Financial Officer should archive the completed or inactive files in a manner that will allow for easy retrieval of the files in case they were required at some future date.

Back-up procedures

18.8 To avoid the loss or damage of financial data, the information should be backed up periodically.

19.0 FINANCIAL REPORTING

Financial Reports

19.1 Interim Unaudited Financial Statements: Interim Financial Reports (IFRs) are an integral part of the Financial Monitoring Reports (FMRs) which include Financial Reports, Physical Progress Reports and Procurement Reports. The importance of the FMRs lies in the fact that they provide the World Bank with sufficient information to determine whether the funds disbursed to the Project are being used as intended, the project implementation is on track and the budgeted costs will not be exceeded. The financial information should be linked to the information on physical progress and procurement to give assurance that the financial and physical progress are consistent, since the monitoring of expenditures in relation to the physical progress of the project is a key aspect of ensuring that the project is under proper financial control.

19.2 The Centre shall prepare and furnish the World Bank through the RFU not later than **forty-five (45) days** after the end of each calendar semester, interim unaudited financial statements for the Project covering the semester or any other reports as may be required by the World Bank in the template required. The Interim Financial Reports (IFRs) include the following:

Project Sources and Uses of Funds

19.3 This report summarizes the sources of project financing, with the uses of funds in accordance with the disbursement categories contained in the Financing Agreement and Disbursement Letter with the World Bank. The uses of funds section is divided by category, and component. This report also compares the planned and actual expenditures for the quarter to which the report relates and states the cumulative expenditures from the start of the project until the date of the report.

Uses of Funds by Project Activity/The Statement of Expenditure (SOE)

19.4 The SOE summarizes the eligible expenditures paid from the Designated Account during a specific period and for each category under the project. The SOE should also include all the trainings, workshops and operating costs incurred during the reporting period.

Designated Account Reconciliation Statement

19.5 The Designated Account Reconciliation Statement summarizes the movements in the Designated Account during the period stating the opening cash balance, any change in cash, and the closing cash balance for the month or quarter. Any discrepancies between the outstanding amount advanced to the Designated Account and the total advance accounted for is explained in this report.

19.6 Appendix 2a-d contains the templates for the above reports.

Other Reports

19.7 The Project Balance Sheet and Project Cash Withdrawals (Disbursements) may also be required.

20 AUDITING REQUIREMENTS:

Internal Auditing

20.1 The Internal Audit Unit shall pre-audit the major financial transactions of the Centre to ensure compliance with financial and procurement procedures. In addition, the Internal Audit Unit shall conduct at least one audit per quarter in areas considered to be of high risk. Auditable areas are outlined in Sections 20.4-8 of this Manual.

External Auditing of Financial Statements

20.2. An external auditor is expected to be engaged within six (6) months of project effectiveness through competitive bidding. The Auditor General shall be notified of the appointment. The Director of Finance is responsible for preparing the Terms of Reference (TOR) and submitting them to the World Bank for clearance.

20.3 Audited financial statements covering one fiscal year must be furnished to the World Bank through the RFU not later than **six (6) months** after the end of such period.

20.4 The financial statements of the Centre for each fiscal year shall be audited annually by an independent auditor appointed by the Centre and acceptable to the World Bank.

Scope of the Audit

20.5 The audit shall be comprehensive and shall cover all aspects of the Project, including the review of the effectiveness of the internal control system, and compliance with the Financing Agreement and Disbursement Letter.

20.6 The typical matters that the external auditor should appraise and report on are:

- a) The effectiveness of accounting, financial and operational controls, and any needs for revision;
- b) The extent of compliance with prescribed policies, plans and procedures;
- c) The reliability of the accounting systems, data and financial reports;
- d) The methods of remedying weak controls or creating them where there are none;
- e) Verification of assets and liabilities.

20.7 Audits of the financial statements of the Centre should include:

- An assessment of the adequacy of the accounting and internal control systems to monitor expenditures and other financial transactions and ensure safe custody of the project-financed assets;
- A determination as to whether the Centre Management has maintained adequate documentation of all relevant transactions;
- Verification that the expenditures submitted to the World Bank, including those submitted in IFRs, are eligible for the appropriate financing, and identification of any ineligible expenditures; and
- Verification that the annual Project Financial Statements (PFS) can be reconciled with the relevant year to date amounts appearing in the IFRs for the fourth quarter of the year.

20.8 The audit should be carried out in accordance with International Standards on Auditing (ISA) and will include such tests and controls that the auditor considers necessary in the circumstances.

20.9 In conducting their review, the auditors should pay special attention to the following:

- All external funds have been used in accordance with conditions of the Financing Agreements, with due attention to economy and efficiency and only for the purposes for which the financing was provided
- Goods, works, and services financed have been procured in accordance with the Financing Agreements and procurement guidelines
- All necessary supporting documents, records and accounts have been kept in respect of all project incomes and expenditures. Clear linkages should exist between the books of account and reports presented to the World Bank or other donor institutions;
- The Designated Account(s) have been maintained in accordance with the provisions of the Financing Agreement; and
- The financial statements have been prepared in accordance with consistently applied International Public Accounting Standards (IPSAs) and give a true and fair view of the financial situation of the Project and of resources and expenditures at the end of

- the fiscal year to which the audit relates
- All fixed assets are accounted for in terms of location, status and condition. A comprehensive list of all fixed assets must be incorporated in the audited financial reports. All fixed assets must be registered in the accounting system

20.10 The Audit Report should include:

- A separate opinion on the project financial statements, with accuracy and reliability of internal control procedures of the SOEs submitted during the fiscal year to support related withdrawals;
- A separate opinion reconciling opening and closing balances of the Designated Account (DA) at the end of the fiscal year to which the audit report relates;

20.11 A Management Letter shall accompany the audit report, containing the external auditor's assessment of the internal controls, accounting system and compliance with financial covenants in the Financing Agreement including recommendations for improvement.

APPENDIX1a – DISBURSEMENT LINKED INDICATORS (DLI 1-3)

Outputs and funds generation year 1 (US\$)				
	Expected outputs in numbers	Percentages of the DLI	Unit price USD	Expected revenue USD
ACE results				
DLI 1 Readiness				
DLI 1.1 Basic Readiness		(0 or 100)	?	425,000
DLI 1.2 Full Readiness		(0 or 100)	?	425,000
DLI 2 Development Impact				
DLI 2.1 Independent external evaluation of development impact			?	
DLI 3 Quantity of students				
DLI 3.1a New eligible PhD student's male	6		10,000	60,000
DLI 3.1b New eligible PhD student's female	3		12,500	37,500
DLI 3.1c New eligible PhD student's regional male	3		20,000	60,000
DLI 3.1d New eligible PhD student's regional female	3		25,000	75,000
DLI 3.2a New eligible Master student's male	16		2,000	32,000
DLI 3.2b New eligible Master student's female	13		2,500	32,500
DLI 3.2c New eligible Master student's regional male	8		4,000	32,000
DLI 3.2d New eligible Master student's regional female	8		5,000	40,000
DLI 3.3a New eligible short course student's male	20		400	8,000
DLI 3.3b New eligible short course student's female	10		500	5,000
DLI 3.3c New eligible short course student's regional male	15		800	12,000
DLI 3.3d New eligible short course student's regional female	5		1,000	5,000

APPENDIX 1b – DISBURSEMENT LINKED INDICATORS (DLI 4)

Outputs and funds generation year 1 (US\$)				
	Expected outputs in numbers	Percentages of the DLI	Unit price USD	Expected revenue USD
ACE results				
DLI 4 Quality of Education				
DLI 4.1a National accreditation	4		100,000	400,000
DLI 4.1b GAP assessment following International standards		(0 or 100)	100,000	
DLI 4.1c Self-assessment following International standards		(0 or 100)	100,000	
DLI 4.1d International accreditation		(0 or 100)	500,000	
DLI 4.1e New courses meeting international standards		(0 or 100)	50,000	
DLI 4.2 ACE International research publications with national partners	5		10,000	50,000
DLI 4.2 ACE International research publications with regional partners			15,000	
DLI 4.3a Infrastructure improvement for research and learning (procurement and civil works) Step 1: Approved plan		(0 or 100)	300,000	300,000
DLI 4.3b Infrastructure improvement for research and learning (procurement and civil works) Step 2: Procured or Foundation Constructed		(0 or 100)	300,000	300,000
DLI 4.3c Infrastructure improvement for research and learning (procurement and civil works) Step 3: Operational or Construction Completed		(0 or 100)	300,000	
DLI 4.3d Infrastructure improvement for research and learning (procurement and civil works) Step 2: NA or Building Operational		(0 or 100)	300,000	

APPENDIX 1c– DISBURSEMENT LINKED INDICATORS (DLI 5-6)

Outputs and funds generation year 1 (US\$)				
	Expected outputs in numbers	Percentages of the DLI	Unit price	Expected revenue
ACE results				
DLI 5 Relevance of Education & Research				
DLI 5.1a External generated revenue from private sector	50,000		X 2	100,000
DLI 5.1b External generated revenue from other sectors	200,000		X 1	200,000
DLI 5.2a Number of students with at least 1-month internship or staff with placement nationally			1,000	
DLI 5.2b Number of students with at least 1-month internship or staff with placement regionally			1,500	
DLI 5.3 Number on new entrepreneurship, innovation, start-up companies, and commercialization support programs			100,000	
DLI 6 Fiduciary Enhancement				
DLI 6.1 Timely fiduciary reporting		(0 or 100)	15,000/year	15,000
DLI 6.2 Functioning internal audit unit		(0 or 100)	15,000/year	15,000
DLI 6.3 Web Transparency on Fiduciary reports		(0 or 100)	15,000/year	15,000
DLI 6.4 Quality of Procurement planning		(0 or 100)	15,000/year	15,000
Total Income				??????

APPENDIX 1d – DISBURSEMENT LINKED INDICATORS (DLI 7)

Outputs and funds generation year 1 (US\$)				
ACE results	Expected outputs in numbers	Percentages of the DLI	Unit price USD	Expected revenue USD
DLI 7 Institutional Impact				
DLI 7.1 University-wide regional strategy		(0 or 100)	100,000	100,000
DLI 7.2a ACE host university adopts merit-based selection of university heads		(0 or 100)	200,000	200,000
DLI 7.2b ACE host university adopts merit-based selection of Deans or department heads		(0 or 100)	50,000	50,000
DLI 7.3a ACE host university adopts GAP analysis as part of international accreditation		(0 or 100)	75,000	
DLI 7.3b ACE host university adopts self-evaluation as part of international accreditation		(0 or 100)	75,000	
DLI 7.3c ACE host university adopts international accreditation		(0 or 100)	200,000	
DLI 7.4 ACE host university participate in PASET		(0, 50 or 100)	50,000/year	
Total revenue expected triggered from ACE program				3,009,000
Additional government funding support				
Other external revenue generation				?????
Total Income				??????

APPENDIX 2a – TEMPLATES FOR INTERIM FINANCIAL REPORTS (IFR)

UNIVERSITY OF ENERGY AND NATURAL RESOURCES (UENR), SUNYANI, GHANA REGIONAL CENTRE FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY (RCEES) AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT Statement of Sources and Uses of Funds For the Semi-Annual Period Ending.....		
Sources of Fund	Semi-Annual Period Ending---- --	Cumulative for Financial Year End
Opening Balance:		
Government Funds		
World Bank IDA Funds		
Student Fees		
Others		
Total		
Add Receipts:		
Government Funds		
World Bank IDA Funds		
Student Fees		
Others		
Total Financing		
Less ACE Expenditure as per Project Implementation Plan:		
Expenditure Classification 1		
Expenditure Classification 1		
Total Uses of Funds by Components		
Closing Balances:		
Government Funds		
World Bank IDA Funds		
Student Fees		
Others		
Total Closing Cash Balances		

APPENDIX 2b – TEMPLATES FOR INTERIM FINANCIAL REPORTS (IFR)

UNIVERSITY OF ENERGY AND NATURAL RESOURCES (UENR), SUNYANI, GHANA REGIONAL CENTRE FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY (RCEES) AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT Uses of Funds (Breakdown) for the Semi-Annual Period Ending.....									
(USD or FCFA???)									
Expenditure	Semi-Annual Period ending.....			Cumulative for Financial Year End			Explanation of Variance	PAD /Life of Project	Revised PAD
	Actual	Planned	Variance	Actual	Planned	Variance			
Expenditure Classification 1 as per Project Implementation Plan									
Sub-Classification 1									
Sub-Classification 2									
Sub-Classification 3									
Sub-Classification 4									
Sub-Classification 5									
Sub-Total									
Expenditure Classification 1 as per Project Implementation Plan									
Sub-Classification 1									
Sub-Classification 2									
Sub-Classification 3									
Sub-Classification 4									
Sub-Classification 5									
Sub-Total									
Grand Total Uses of Funds									

APPENDIX 2c – TEMPLATES FOR INTERIM FINANCIAL REPORTS (IFR)

UNIVERSITY OF ENERGY AND NATURAL RESOURCES (UENR), SUNYANI, GHANA REGIONAL CENTRE FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY (RCEES) AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT Statement of Reimbursable Eligible Expenditure Programs (EEPs) for the Semi-Annual Period Ending.....			
Eligible Expenditure Program (EEP)	Semi-Annual Period Ending.....	Cumulative for Financial Year End	Cumulative for PAD/Life of Project
EEP 1: Salaries			
EEP: Non-Procurable Expenditure as defined in Financing Agreement			
Total EEPs			

APPENDIX 2d – TEMPLATES FOR INTERIM FINANCIAL REPORTS (IFR)

UNIVERSITY OF ENERGY AND NATURAL RESOURCES (UENR), SUNYANI, GHANA REGIONAL CENTRE FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY (RCEES) AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT NOTES ANNEX					
DISBURSEMENT LINKED TO INDICATORS	ACTIONS TO BE COMPLETED	STATUS OF ACTIONS	AMOUNT ALLOCATED	AMOUNT DISBURSES	UNDISBURSED BALANCE
DLI1					
DLI2					
DLI3					
DLI4					
DLI5					

APPENDIX 2e – TEMPLATES FOR INTERIM FINANCIAL REPORTS (IFR)

Annex to IFR: Notes on Expenditures			
The schedule below provide additional details on expenditures summarized in the Sources and Uses of Funds covering the period xx-xx-xx to xx-xx-xx.			
Consultant and Travel Costs			
1	Consultant Costs including project implementation and administrative Staff		
2	Travel, Accommodation and Per Diem		Travel; and Accommodation Per Diem
	i	International Travel	xxxxx
	ii	Domestic Travel	xxxxxx
		Total Accommodation and Per Diem	xxxxxxx
3	Training and Conference Fees		xxxxx
Goods and Equipment			
4	Learning and Research Equipment		xxxxx
5	Vehicles		xxxxx
6	Other Goods and Reagents		xxxxx
		Total Goods and Equipment	xxxxx
Scholarship Payments			
7	Scholarship Payments		
ACE Hostel Workshops and Seminars			
8	Workshops and Seminars		
Civil Works			
9	Civil Works, including Rehabilitation and New Construction		
Marketing, Communication and Recruitment			
10	Communication and Marketing including website		
General Expenses			
11	Operating costs including utilities, banking fees, etc		
12	OtherFf		

APPENDIX 3 DEFINITIONS

1. “Africa Centers of Excellence” or “ACE” means the academic centers within the Higher Education Institutions in Republic of Djibouti, West and Central Africa, essentially in the areas of science, technology, engineering, and mathematics, as well as the agriculture and health sciences, applied statistics, education, or any other area as per the knowledge and education needs of the Republic of Djibouti, West and Central Africa region, as established in the Project Regional Operations Manual.
2. “ACE Impact Center” means a selected center hosted within a university or Higher Learning Institution.
3. “Annual Work Plans and Budget” means the annual work program to be prepared by the Recipient during each calendar year, including a program of activities and budget proposed for inclusion in the Project during the following fiscal year.
4. “Disbursement-Linked Indicators” or “DLIs” means a set of indicators as specified in Schedule 4 to this Agreement.
5. “Disbursement-Linked Results” or “DLRs” means a set of quantitative results associated with each DLI as specified in Schedule 4 to this Agreement.
6. “EEP” or “Eligible Expenditure Programs” means a set of defined expenditures for goods, works, consulting and non-consulting services, Training and Operating Costs (including salaries and scholarships) made by the Recipient for the Higher Education under Parts 1 and 2 of the Project.
7. “EEP Spending Reports” means the bi-annual reports prepared by the Recipient or the Independent Verifiers in accordance with the details provided in the Project Operational Manual to make disbursement recommendations for each Withdrawal based on the spending status of the Eligible Expenditure Programs under Parts 1 and 2 of the Project and the compliance with the Disbursement-Linked Indicators.
8. “Operating Costs” means recurrent costs of the Project: (i) operation and maintenance of vehicle, repairs, rental, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel, accommodation and per diem costs for technical staff carrying out training, preparatory, supervisory and quality control activities; and (viii) salaries of Higher Education Institutions’ faculty and staff.
9. “Project Implementation Plan” means the implementation plan for the Project to be adopted by the Higher Education Institutions through ACEs for the implementation of the Project, including, inter alia: (i) the education and research activities of the ACE; (ii) a budget and a time line for implementation; (iii) the terms of reference, functions and responsibilities for the members of the Project Implementation Teams and the personnel of the Higher Education Institutions working on the Project; (iv) the procurement and financial management procedures under the Project; (v) the results to be achieved and the indicators to be used in the monitoring and evaluation of the Project; (vi) the criteria, detailed rules and procedures for the EEPs; (vii) the detailed content of the EEP Spending

Report, the customized statements of expenditures, the interim financial reports, and the Project Reports; (vii) the flow of funds and disbursement arrangements; and (viii) the Disbursement-Linked Indicators; as said plan may be amended from time to time with the Association's prior approval.

10. "RFU" means the regional facilitation unit for the corresponding regional level activities, and for the purpose of this Project, the Association of African Universities acting in that capacity.
11. "Withdrawal" means each withdrawal under Category (1) of the table in Section IV of Schedule 2 to this Agreement.