

Project AXxes

IMA / ECC / CRS / WVI



USAID
FROM THE AMERICAN PEOPLE

ADMINISTRATIVE, FINANCIAL AND OPERATIONS PRECEDURES MANUAL

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0.0 PREAMBLE

0.1 GOAL OF THE MANUAL

This manual contains the standards and the policies as well as the procedures intended to respond to the requirements of good governance in guiding the consortium with regard to the management of human, material and financial resources.

The manual gives the organizational structure of the AXxes consortium, the responsibilities of the players as required in implementing the project as well as their relationships.

The manual stresses an organized conduit of administrative and financial operations in the implementation of the project notably by evidence of predefined rules, authorizations and approvals prerequisite to all allocations and usage of resources.

It permits, as well, consistent and regular use of funds and other resources by the partners and methods to use to facilitate the process of compiling and reporting.

This manual is not intended to cover all aspects of management of financial, human and material resources which are covered by other documents that complete them, notably the cooperative agreement, the standard provision of USAID as well as the Work Code. To these documents one must as well add the different procedure manuals of each partner agency.

The manual doesn't aim to be a standard that inhibits or destroys initiative and the innovative spirit. It is however a relatively flexible guide and support for eventual concerted improvements if needed.

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1.0 ORGANIZATION OF THE AXxes PROJECT

1.1 EXPECTED OBJECTIVES AND RESULTS OF THE PROJECT

AXxes is a project that aims to implement an integrated approach to primary health care in the 60 health zones within 5 provinces in DRC. The development of this program should show a growth of access by the population to quality health services offered to them thanks to the improvement of services at the local level up to the intermediate and national levels.

The objectives of the project are summarized into three components:

- Component A: To increase access to integrated primary health care services in a multisectoral approach.
- Component B: To increase the functional capacity of the health zones and to reinforce the system of “referral and non-referral”.
- Component C: To increase the capacity and impact of the national health programs and thus the provincial and district medical inspections.

At the end of 3 years of the project, the following results will be expected:

- Primary health care, quality services and integrated health are offered to more than 8 million inhabitants of the health zones served by the project.
- The management system as well as the “referral and non-referral” system is very much improved in the health zones that are being supported.
- The coordination and supervision capacities of the intermediate level targets are very much improved by the project.
- Leadership and program capacities of the central level targets are improved in terms of coordination, training, management of information as well as the development and distribution of the policies.

1.2 ORGANIZATIONAL STRUCTURE AND ROLES OF THE PLAYERS

1.2.1 The Consortium

The overall management of the consortium is assured principally by Interchurch Medical Assistance (I.M.A.) which is the contractual and financial agency vis-à-vis USAID.

In order to be effective in implementation, I.M.A. has contracted with other agencies that are responsible for the implementation of the project in the field. These are sub-contracted agencies, together with I.M.A., within the scope of the AXxes Consortium.

Within the scope of the consortium, I.M.A. in collaboration with ECC (ECC-I.M.A.) assures guidance and leadership in the planning as well as in the implementation of the project by means of a limited/restricted team driven by the Chief of Party (COP).

Moreover, a certain number of partners have been retained in order to assure technical assistance to the consortium with regard to certain key interventions: monitoring and evaluation, management training as well as support to the Ministry of Health.

I.M.A. will assure general coordination of the project in part through its general headquarters in the USA and in part through Kinshasa by means of their country representative and consultants as well as the staff of I.M.A./ECC.

The technical, planning and implementing agent along with the four implementing partners, CRS, WVI, Merlin and ECC, will be doing the field work at the district level. In addition, a number of technical partners will provide assistance for priority interventions, monitoring and evaluation, management training and support to the MOH.

The partnership within the framework of this consortium is based on the acceptance by each partner of the following principles:

- Each partner must assist one or more districts representing a cluster of health zones, contributing to their overall support to put into place a transparent and efficient system to keep up with expenses and, equally, the technical progress with the Performance Monitoring Plan (PMP).
- Each partner must reinforce the capacity of the personnel of the health zones with a particular emphasis on The Team Members of the Health Zone so as to render it effectively “Actrice” and “Mobilisatrice”.
- Each partner must bring an annual financial assistance at approximately US\$128,000 per health zone (see table), including the transport of products within the country and excluding supervisions of the partners and the donations (in-kind assistance).
- Assistance will be standardized in such a way that each Health Zone will receive standardized kits with regard to equipment and medicines based on the standards of the Ministry of Health. As the case may be, development can be made according to the specific requirements of certain health zones.
- Purchases of certain products will be grouped, notably, as essential medicines, ITNs, certain printings and management tools. Also, certain training will be combined, notably, those for the team members of the health zones.
- I.M.A. and ECC/I.M.A. will bring leadership and management to the consortium by means of a structure based on collaboration.

The work of the implementing partners will be strengthened by the technical assistance partners in specific areas:

- Johns Hopkins University: Computer science and monitoring and evaluation (M&E).
- University Research Corporation: M&E and Quality Assurance.
- Management Sciences for Health: Management training, supply chain, lab technicians.
- Helen Keller International: Micro-nutrients, e.g. Vitamin A campaigns.
- World Relief Corporation: Care Group approach for community-based BCC.
- Doctors on Call for Service: Fistula repair and Gender Based Violence (GBV).
- Innovative Resources Management: Multi-sectoral development assistance.
- Council for Peace and Reconciliation: Peace building initiatives.

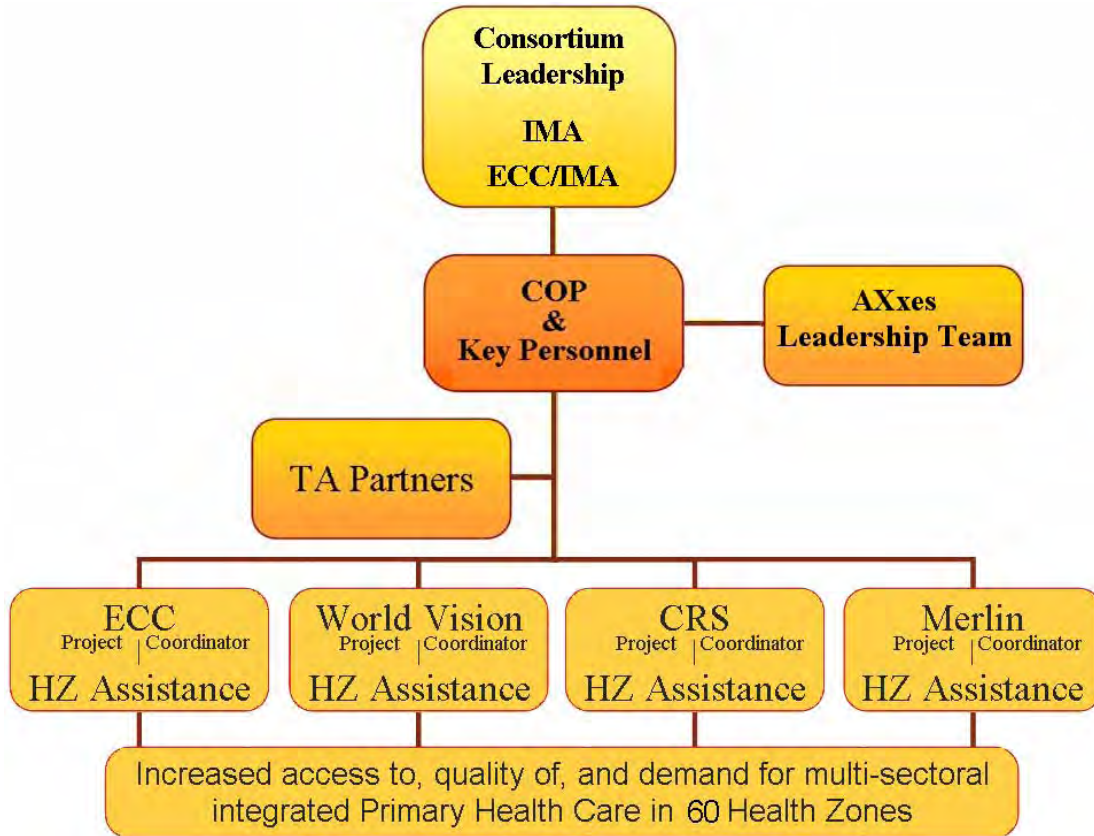


Figure 1: Organogram for AXxes Project

1.2.2 Key personnel of the consortium

The Chief of Party (COP) is designated by I.M.A. He is the first contact between the consortium and USAID, Ministry of Health and the consortium partners. He directs the management team for the project represented by the key technical personnel. He is responsible for the planning and implementation of activities.

All the other key personnel are chosen consensually with the consortium partners and are under local contract with ECC-DOM. Each partner agency will designate a Program Manager for the management of their part of the project.

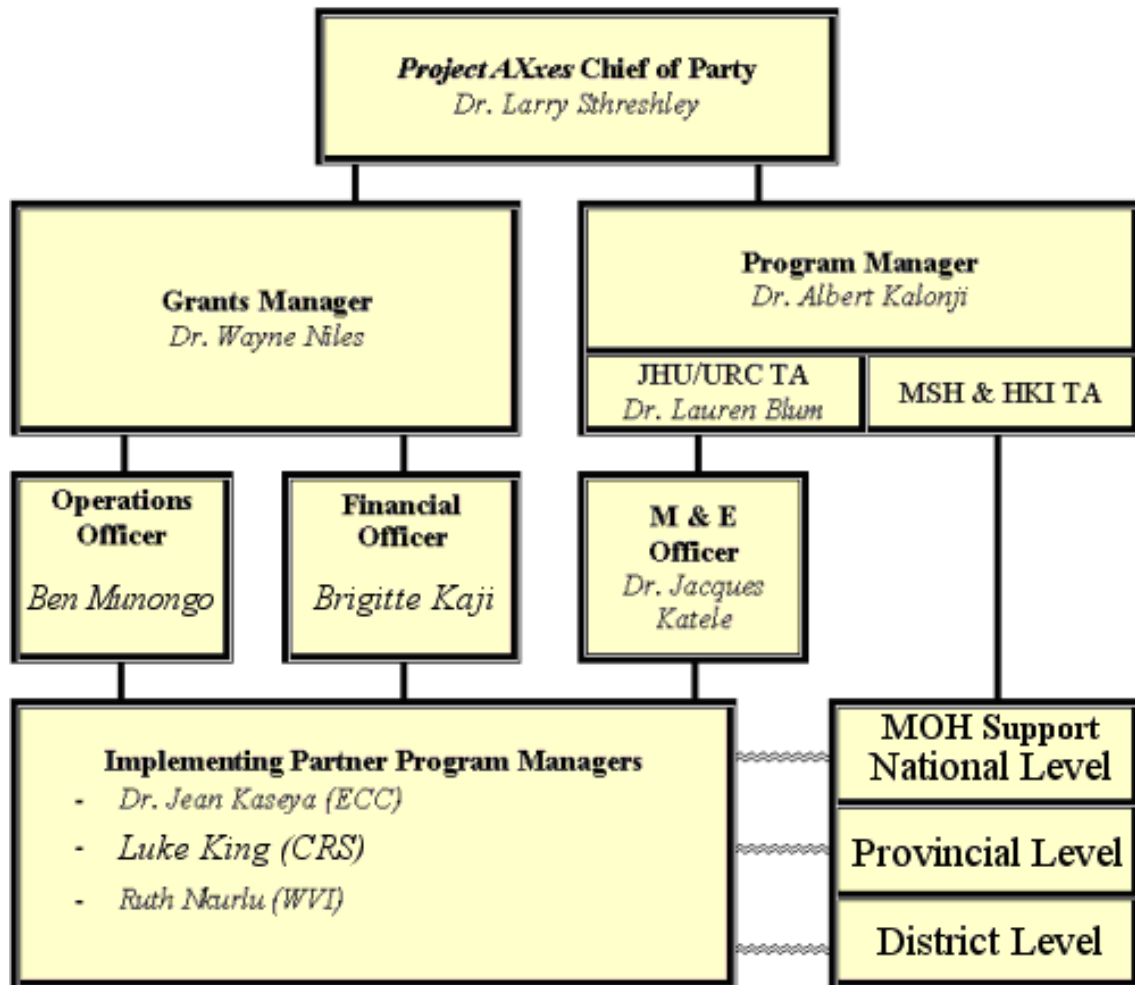


Figure 2: COP and Key Personnel for the Consortium

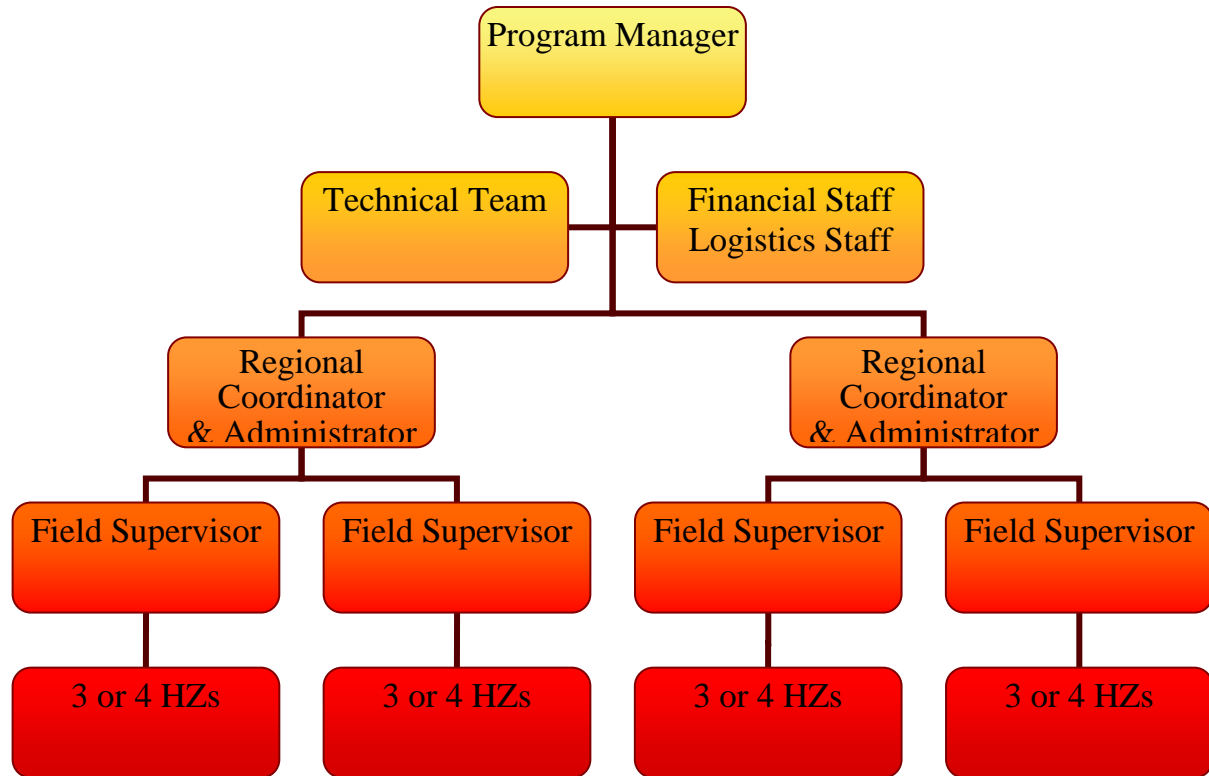


Figure 3: Structure of the Implementation Partners

1.3 RELATIONSHIPS

The functional relationships by project component are shown in the following chart. At the national level, the AXxes partners, by means of their key personnel, will work in collaboration with USAID and the Ministry of Health in developing the work plans and budget. The AXxes key personnel, under the direction of the Chief of Party, will coordinate the planning and implementation of the three project components. Support to the MOH, Component C, will include three technical assistants. The project will also provide assistance at the provincial and district levels to facilitate joint supervision as well as the participation in Health Zone Administrative Council meetings.

Each agency will designate a direct contact person for the team. The Chief of Party, if need be, can delegate contact persons for duties within a specific area. In these cases, these delegates must be well identified beforehand.

It is a question of relationships of collaboration characterized by the confidence and mutual respect in view of reaching the intended results set out in the document of the project.

1.3.2.2 Between Partner Agencies and the Framework for Dialogue

Each agency will be autonomous in the implementation of the project in the field and will maintain collaborative relationships and dialogue with the other member agencies of the consortium around the Chief of Party, within a defined dialogue.

Within this framework of dialogue there will be quarterly meetings in Kinshasa with the possibility of rotating the venue to the provinces where the agencies' headquarters are located.

This framework of dialogue has as its goal to follow the implementation and planning of activities for the next quarter. However, all other important subjects with regard to the good running of the project can be dealt with.

Each agency will be represented by 2 persons at this meeting, one coming from the field. They will be knowledgeable of all information necessary for the advancement of the project.

The representative of the MOH is invited to these meetings according to the subject which will be discussed. The COP will invite the members and send the agenda at least two weeks before the meeting is to take place.

One agency can be called to cover certain activities of another agency when for some reason or other the original agency is not able to accomplish them. In this case there must be negotiation between the agencies with the approval of the COP.

1.3.3 External relationships: MOH, agencies of the UN and other NGOs.

1.3.3.1 Consortium – Ministry of Health

The AXxes consortium is a partner of the Ministry of Health and therefore accompanies them in the execution of their action plan.

The COP team also plays a supporting role to all the provincial divisions of health in the provinces where the project is implemented.

The COP is the door through which all that concerns the AXxes project enters and exits in line with the MOH at all levels.

Each member agency of the consortium will continue its traditional partnership with the MOH as before, without involving the AXxes consortium except when the COP requests it.

At the provincial level, each agency will work in close collaboration with the provincial health authorities based on the activities that they lead, stated in their plan of action.

According to the complexity of the task, the Consortium can turn to exterior competencies specifically for training, surveys and developing management tools and communication support. However this approach must not be in contradiction with the terms of the contract with USAID. And thus it is recommended to request the counsel of the COP for all use of experts of the MOH.

In order to accomplish activities at the provincial level, the implementation agency will negotiate with the provincial division for the resource personnel, following certain criteria of competency for the activity to be accomplished.

The negotiations for the resource persons at the central level are controlled by the COP.

1.3.3.2 Consortium – Agencies of the UN and other NGOs.

The COP is the door through which all information enters and exits with regard to the AXxes project vis-à-vis the UN agencies and other NGOs.

It is, therefore, recommended to the implementation agencies to research the synergies and the additional areas of expertise in the implementation of the project. For all steps taken within this realm, the agency will inform the COP, who may issue his council if deemed necessary.

2.0 ADMINISTRATIVE PROCEDURES

2.1 HUMAN RESOURCE MANAGEMENT

2.1.1 Positions by agency and profile

To be assured of a good implementation of the project, each agency is required to have the minimum personnel following table below.

Given that the AXxes project aims, among other things, at providing the reinforcement of the capacities/capacity building of the Congolese contingent and the implementation of the structures that will be able to assure sustainability, it is hoped that each agency will assure the presence of the Congolese contingent in certain key positions, notably those of provincial coordinators.

2.1.1.1 At the Central level, the agencies are equipped with:

- A Project Manager: This person's role is to assure the coordination for the implementation of the entire set of interventions of the AXxes project in the health zones of his/her responsibility and to see to the application of the orientation and procedures of the MOH and USAID as well as the instructions of the COP.
- Administrative manager: Will organize, supervise and maintain control of the financial and administrative operations as well as the reporting system of his/her agency in relation to the AXxes project.
- An accountant: Will assure the recording of the financial operations following the norms of the project.
- A manager of logistical operations: Will organize logistical support necessary to accomplish all the operations planned in the implementation of the project in the field.

2.1.1.2 At field level:

- A provincial coordinator: Will coordinate the implementation of the project in the field and will assure the follow up of the implementation of the activities of the project in the health zones under his/her responsibility.
- Administrative manager: Will assure the financial and administrative operations as well as all aspects of logistics at the provincial level.
- A logistics manager: Will assure the dispatching of commodities to the final destinations and to assure, as well the follow up, the use of the commodities.

Considering the complexity of the task and the volume of work in the field, the positions of Logistics Manager and Field Supervisors can be considered.

However, each agency, with regard to what they manage already as field activities apart from the AXxes project, is free to place personnel according to the organization.

The table below restates the minimum positions considered as key, the profile required, as well as the title for each position. To facilitate things, the titles ought to be standard ones for all the implementing agencies.

Level	Position	Profile (minimum)
Provincial	Coordinator	Physician or equivalent with experience of 3 years en SSP
	Administrative manager	At least G3 in management with experience of at least 3 years in SSP
	Logician	At least G3 with experience of at least 3 years in logistics
BASE	Project Manager	Physician or equivalent with experience of at least –3 years in SSP and Project or Program management
	Administrative Manager	At least L2 in management or equivalent with experience of at least –3 years en SSP and Project or Program management
	Operations Manager	At least L2 in management or equivalent with logistical experience of at least –3 years in similar projects.
	Accountant	At least G3 in management or equivalent with experience of at least–3 years in accounting in similar projects

The post of field supervisor is optional and is in line with the volume and the complexity of the field work. The supervisor can be a physician or a nurse L2 or A1.

2.1.2 Description of posts (attachments)

2.1.3 Recruitment

Each agency will recruit its own personnel in all categories following the regulations in force in the DRC and taking into account predefined criteria.

The agency will inform the COP of the key personnel and the COP will give advice if necessary.

2.1.4 Rules of the personnel

The personnel will work in the consortium and is sub-contracted by one of the partner agencies. No employee will be hired by the consortium.

Each agency takes into account the workers' code of the DRC in negotiations and in the hiring of its personnel.

2.1.5 Categories of personnel

There are 3 categories of personnel that are recognized in the framework of this project. This is in conformity with the worker's code and according to the organizational structure of each partner agency.

Full time: These employees spend 100% of their time working for the project.

These are the key personnel of each agency.

Part time: These employees spend less than 100% of their time working for the project.

Daily: These employees work specifically to carry out certain tasks.

Each agency will see to it that they do not violate the worker's code.

2.1.6 Personnel files

Each employee that is hired for this project will have a personnel file in the form required by DRC law. The file for each person will be filed and kept at the agency which hires them. Only copies of CVs of the key personnel of each agency will be sent to the COP.

2.1.7 Compensation (Maximum and method of payment)

Each agency will apply the salary policy of the agency. The agency will determine the method of remuneration including benefits of their personnel according to the policy, taking into account the regulations as set down in the worker's code in DRC.

So as to avoid important differences between personnel of the same category in the consortium, the COP will, as far as possible, research a harmonization of base salary.

2.1.8 Work related missions

2.1.8.1 Launch of the mission

Missions to the interior of the country come from the agencies. They must be planned and the plans must be sent to the COP especially for the key personnel of the agencies.

International missions on the consortium account need authorization from the COP and must conform to the requirements set forth in the contract with USAID with regard to international travel.

All missions with respect to the AXxes project outside the country require the authorization of the COP.

2.1.8.2 Execution of the mission

On the day of his/her arrival at the location for the execution of the mission, the agent must present him/herself to the person in charge of the service to be visited and have his/her *ordre de mission* stamped.

As far as possible, the agent should begin the execution of his/her mission the same day of arrival.

The mission should be executed to conform to the specific objectives set forth in the *ordre de mission*.

The agent must do every thing possible for the success of the mission within the anticipated time limit.

At the end of the mission, the agent must have the *ordre de mission* stamped by the local person in charge and return immediately to (Kinshasa, Bukavu, Lubumbashi) if transport can be arranged that day.

2.1.8.3 Payment for the mission

The funds for the mission include the following elements:

- Per diem (including food and lodging) in which the rate varies between US\$40 and US\$90 within the country and around US\$120 outside the country. However, each agency will apply its policy in this matter.
- Expenses for travel and communication.
- Miscellaneous

These funds for the mission are paid by the cashier or by check (A check is issued only when the funds are too great to be paid directly by the cashier).

At the end of the mission, the agent who went on the mission will submit a report relative to the object of the mission, as well as the use of the funds for the mission, not later than 5 days after his/her return. The justifying documents will be attached to the report.

In the case where all the funds were not used, the agent must return the balance to the cashier.

2.1.9 Work Schedule

The weekly requirement for work is set at forty (40) hours from Monday through Friday.

2.1.10 Transportation and communication (telephones)

Each agency will assure the transportation and the means for communication according to its own policies in conformity with the management policies for vehicles and communication of USAID.

2.1.11 Leave and vacations

The means used for vacations and leave are regulated by the laws in force in the DRC and the implementing agency.

2.1.12 Disciplinary action in relation to each agency

Each agency will apply disciplinary action in conformity with the worker's code of the DRC.

2.1.13 Disciplinary action in relation to the consortium

Each agency must respect and apply the terms of the contract with I.M.A. as well as the measures set down in the Cooperative Agreement.

In order to be assured the agreements and order are respected in the consortium, the following procedure will be used for all disciplinary action:

- Oral reprimand: The partner agency or an individual of an agency that doesn't fulfill his/her obligations will receive an oral reprimand from the COP. In this case, the agency is called upon to give a written plan of action which will address this problem as soon as possible.
- Written reprimand (letter of reprimand): The letter of reprimand will be addressed to the agency or the individual when the oral reprimand has already been used without success or when the failure is very serious. This letter ought to contain a plan for improvement as well as the follow up. The letter of reprimand is normally signed by the supervisor of the employee and a copy of this letter will be placed in the employee's file. The reprimand should contain a correction plan as well as the follow up.
- Separation for cause: When an agency or an employee of an agency doesn't satisfy his/her obligations in spite of the critical remarks and corrective actions proposed to him, or if he/she goes against the terms in the contract that unites him to I.M.A., then a separation for cause can be considered.
- Only the Chief of Party can order a suspension or a separation.

2.1.14 Codes of good conduct

The partner agencies and the COP team are committed to observe a code of good conduct among them. They should avoid the following acts:

- Disloyal competition
- Harassment in all forms
- Violence in all forms
- Use of drugs in the work place
- Corruption
- Fraudulent practices
- Conflicts of interest

2.1.15 Evaluations of personnel

Each agency will evaluate its personnel annually and keep the COP informed. This evaluation must be made following the worker's code and the methodology of each agency.

2.1.16 Use of consultants

If needed, the COP and the agencies can turn to the service of an expert in order to accomplish a specific task for a predetermined time limit. The choice of the expert will be based on competition of consultants and the selection of the best qualified, best experienced and most competent. The use of all consultants will be in agreement with the procedures of USAID and should include discussions with the COP for his advice.

2.2 MANAGEMENT OF MAIL (AND EMAIL)

All types of transmission of written messages will be used within the scope of this project. The recommended ones are the following:

- Postal
- Email
- Skype

All permanent mail or emails sent from the agencies must be addressed to the COP and, if need be, keep a copy for the member of the COP team to whom it concerns.

In the same manner, the COP is informed of all mail sent out by his team to the implementing agencies.

3.0 PROPERTY MANAGEMENT: ACQUISITION AND MANAGEMENT OF GOODS AND SERVICES

3.1 Acquisition of goods and services

3.2 Selection of equipment and materials

The equipment and materials used in the AXxes project are those that are effectively related to the activities of the project and that are defined in the project document signed by both I.M.A. and USAID. These materials and equipment, at the beginning of the project, are listed in a general table named procurement plan.

This procurement plan, presented by the COP and finalized after the rapid field evaluation, presents for each beneficiary (Health Zone, Health District, General Reference Hospital, COP and implementing agencies) the list of materials which will benefit each one, paid for from the project account.

3.3 The acquisition of equipment, materials and services

Three types of purchases will be made within the scope of this project?

- Group Purchases from abroad by I.M.A./HQ
- Group Purchases from the DRC by the COP.
- Local purchases by consortium partners

For economy, large equipment and supplies of great value will be Group Purchased. Principally as follows:

- Vehicles
- Motor cycles and bicycles
- Computer equipment
- Frigos
- Refrigerator with freezer

- Printed materials (SNIS and other management tools)

These purchases will be organized by the COP. All procurement must follow USAID directives for transparency and economy. Three bids must be obtained and evaluated. Representatives from partner agencies, who are available in Kinshasa, will be invited to participate in the meetings where suppliers are selected.

Group purchases by the COP concern only items financed by the HZ budget. They will be billed by the COP to partner agencies in proportion goods received.

The local purchases will essentially deal with the products and services that can only be obtained in the country or are products of same quality as those that can be obtained outside the country, but are less expensive locally. As much as possible, the COP will solicit the “non-objection” from USAID. For example, printing and standard management supplies will be purchased locally.

The acquisition procedure must be organized in a transparent way, which permits AXxes to obtain quality equipment and materials at a good price, all with respect to the directives of USAID in connection with market prices.

3.4 Property management

The agencies involved in AXxes will constitute a patrimony (property endowed to an institution) and will purchase according to the established procedures (operating budget and investment budget) in strict adherence to the accepted procedures by USAID.

At delivery or receipt, the accountant or the logistician will draw up a property card/list. For vehicles, computer equipment and other property, where it is necessary to keep the file up to date on a regular basis, there will be a coding system that permits ease of locating the item. Moreover, each item must contain the USAID logo, which differentiates it from products obtained from other sources.

Project vehicles in no case may be requisitioned by neither the military, administrative authorities nor the police. Nor may they be used for religious or political activities. This notation will be attached to the windshield of the vehicle.

Each agency will see to it that all vehicles (motorcycles and cars/trucks) acquired for this project will be insured during the entire period of this project.

3.4.1 Physical Inventory

A physical inventory of the equipment and supplies will be done quarterly. This is to insure that all the equipment and supplies accounted for are indeed physically present.

The inventory will be carried out by a team composed, according their level, of the administrator/manager of the project, the logistician and another member of the team.

A report, duly signed by the members of the inventory team and the manager of the stock, must confirm the inventory. This should be communicated within a reasonable time to those in charge.

The inventory must be based on a codification system to confirm the various levels of the inventory, to establish a standard detailed list of property of the different offices and sites benefiting from the project, to specify the state of the items and to establish a list of property belonging to a third party and held by AXxes. This list must be signed by the owner and the person responsible for the inventory.

All the cards used to account for the separate properties will be brought together on one card to recapitulate the complete inventory. Each agency will be able to use the card that it has been accustomed to using. Moreover, as an example, the elements listed on the table below must be found on this card:

N°	Date Equipment Acquisition	Control AXxes(AXxes/year/number)	Number Description	Model	Serial number/ other identification	Location/all ocaation	Valeur en \$
1	10/052007	Axxes/2006/05.001	Portable computer	Dell	ANB17032000	BCZS KLZI	\$815,00

example

3.4.2 Distribution of the equipment, materials and supplies

3.4.2.1 The transport

- 1) The dispatch of medicines by the vendors should be made in conditions to guarantee quality.
- 2) In principle, the vendor should avoid splitting the shipments.
- 3) Before making any shipment of products, the vendor will provide the COP with the following: shipping advice, Bill of Lading and the invoices communicating among other things the probable date of arrival of medicines. The COP will then provide these documents to the partner agencies for proper disposition.
- 4) As much as possible and principally for the transport of containers, AXxes will use several available entry points into the country according to the zones in which the project is working: these entry points will be as follows:
 - Lubumbashi: for the regions of Haut Lamami, Kolwezi
 - Bukavu: for Maniema and South Kivu
 - Kinshasa/Matadi: for the Kasai
- 5) The method of shipping to be used will be DDU to the AXxes warehouses in the towns/cities indicated above.

3.4.2.2 Warehousing

All products (supplies, equipment and materials) must be stored in a way to guarantee security and quality.

All products received must be accompanied by **packing list** and **invoice**. from the vendor

The surface area of the warehouse in the depot must be set up to not hinder movement of personnel and to clearly show the products according to type and according to project, in case there would be products for several projects in the same warehouse. Flammable products must be stored in open air a long way from the supplies and equipment. One should never find located in an area designated for medicine storage, supplies, printed materials or flammable products.

All material must be received and registered in the log book of the warehouse. No material or equipment can be delivered directly to a user without first being registered into the warehouse.

Upon the receipt of materials and equipment, the person in charge of the warehouse must, along with the documents from the vendor, establish a receipt form to attest to the physical receipt of the material or the equipment. The following must be assured at the moment of receipt of the materials and equipment:

- The conformity of the quantities received with the quantities invoiced.
- The existence of the order signed by the authorized person and a copy to be found filed at the warehouse from the date of the submission of the order.
- The conformity of the goods/equipment received to the specifications of the order as to quality and quantity.
- The presence of the documents from the vendor (shipping document, invoice, etc.)

As an instrument of control and in order to follow the movement of the product, a stock card must be set up for all new products that enter the warehouse. The entry of new quantities of products, that already exist and have been registered into the warehouse, must be registered on the existing stock card in order to calculate the new totals available for distribution.

3.4.3 Transfer and liquidation of property at the end of the project

At the end of the project, the property given to the health zones, which belonged to them while working with the partner agency, will be returned to USAID who will then dispose of them.

No article that was acquired during the project can be sold nor given away without previous authorization of USAID. All losses must be reported to the COP who will inform USAID without delay.

All portable articles will be the responsibility of the user. In case of loss or damage, the financial responsibility lies with the user.

3.5 Management And Sale Of Mosquito Nets: Program Income

Insecticide Treated mosquito Nets (ITNs) will be provided to Axxes zones either by PSI or Axxes. Nets will be sold and accounted for identically, regardless of source.

All nets will be sold for \$0.50 US in both urban and rural Hz and only to target populations (pregnant women or children under 5 yrs).

30% of the income from the sale of nets will be retained by the Buzzes. The remaining 70% will be retained by the CS. For a typical HZ, program income from the sale of nets will be \$300 /yr for the BCZs, and \$40/yr for a CS. These funds, PROGRAM INCOME must be carefully accounted for both at the time of collection and the expenditure. None of this program income may be used to pay salaries.

Program Income funds from the sale of nets may only be used for:

- Community meetings
- Meetings of the Codesa
- Supervision of the community Relays

The appropriate proof of expense would be a signed list of meeting attendees and the collation received by each.

The coordination of the partner agency is responsible oversee proper documentation of income and expenses of program income.

Income calculation example:

- Hz budget is \$17,000 of which \$5000 is transport, hence \$12,000 is for net purchase
- Nets cost US \$5 delivered to Kinshasa
- $\$12,000 / \$5 = 2400$ ITN per ZS
- 24,000 ITNs sold at \$0.50 = \$1200/yr / ZS in PROGRAM INCOME
- For the BCZ: 30% of \$1,200 = \$360
- For the CSs: 70% of \$1,200 = \$840
- Assuming 17 CS / zone: $\$840 / 17 = \$49.41 / CS / year$

4.0 MANAGEMENT OF MEDICINES

4.1 4.1 Objective

The management system for medicines promoted by AXxes is based on the national pharmaceutical policy (PPN) where the general objective consists of the following: “to assure the sufficient supply and rational use of essential generic medicines of good quality, safe, effective and at an accessible price to the majority of the population”.

Thus, the directives and technical procedures of the Ministry of Health, through the National Program for the Supply of Medicines, must be observed at all levels of intervention.

4.2 4.2 Supply Strategy

The basic principles of the organization of the system, based on the national supply system for medicines, SNAME, are the following:

- 1) Decentralization for the distribution of medicines by means of Regional Distribution Centers of Medicines (CDR) where the medicines are available and operational: however, in the absence of the CDRs, denominational depots will be used.

- 2) Centralization of purchases by the COP, who can negotiate this responsibility to FEDECAME based on agreement.
- 3) Cost recovery
- 4) Subsidization of the system (international and national transport as far as the health zone)
- 5) System of sustainability

4.3 4.3 Procedures

4.3.1 Selection of medicines (What medicines to be used for the program?)

- 1) The available budget for medicines for AXxes will only be used for the purchase of essential generic medicines found on the national list of essential medicines (LNME).
- 2) Taking into account the budgetary limits, AXxes will purchase 65 medicines considered as priority from the LNME.
- 3) Nevertheless, at the request of the partner agencies, AXxes may organize the purchase of other essential medicines with the designation of “supplementary orders”, financed by other sources that the agencies mobilize. The fee for the transport for the supplementary orders will be the responsibility of the partner agencies.
- 4) The quantities of the medicines to purchase will depend principally upon the resources that are available: the initial budget of the project is US\$18,000 per Health Zone. Forty (40) % more or less will be set aside for transport: international and national (to the interior of the country).

4.3.2 Acquisition (Choice of vendors)

The choice of vendors comes from the COP team, the responsibility being as follows:

- To centralize the needs as expressed by the CDRs or the depots within the limit of the available budgets.
- To organize the request for proformas to conform to USAID procedures.
- To request importation authorization of the Pharmacy Direction of the Ministry of Health.
- To submit the order to the approved vendors.
- To receive the medicines.
- To arrange for the quality control of medicines by qualified agencies, i.e. Congolese Control Office (OCC).
- To coordinate the distribution of medicines to the CDRs, depots or Health Zones.

Conforming to the National Pharmaceutical Policy, apart from an urgent case and where FEDECAME (Federation for the Central Purchasing of Essential Medicines) would propose better quality conditions, price and logistics, AXxes will purchase the medicines from FEDECAME. This includes the CDRs who have approved FEDECAM, based on agreements where the terms have been defined between the two parties.

4.3.3 Distribution

4.3.3.1 Transport

- 1) The delivery of medicines by the vendor must be made in conditions which guarantee quality.

- 2) In principle, the vendor should avoid splitting the shipments: controlled drugs and cold storage drugs should be delivered in one shipment per order by airfreight, whereas the rest of the medicines should be sent by sea freight. These may be split but in not more than two shipments.
- 3) Before any shipment of medicines can be made, the vendor will provide to COP, the Certificates of Analysis, Shipping Advice, Bill of Lading/Air Waybill and invoices, along with the projected arrival date into the country. The COP will send these documents to the CDRs and the regional depots for proper disposition.
- 4) Taking into consideration the geographic location of the health zones to be supported, AXxes will use several available entry points into the country. These entry points will be as follows:
 - 5) Lubumbashi/Kasumbalesa: for the districts of Haut Lomami, Kolwezi
 - 6) Goma: for Maniema and South Kivu
 - 7) Kinshasa/Matadi; for the Kasai
- 8) The method of delivery to be used will be DDU to the warehouses of the partner agency headquarters, given that most of the depots are not situated in the ports of entry.

4.3.3.2 Receipt

- 1) The medicines will be received at the warehouses of the AXxes partner agencies in the ports of entry (Lubumbashi, Kinshasa, Goma). These warehouses will serve essentially as transit points before the transfer (dispatch) to the central or consignee depots.
- 2) The receipt of medicines in the warehouses of the port of entry will conform to the current pharmaceutical procedures.
- 3) All administrative or pharmaceutical differences/problems noted at this level should be communicated to the Operations Manager of AXxes, who will report to the authorities for proper disposition.
- 4) At the regional depot or the CDR, receipt and stocking of the medicines will be done following the technical procedures of PNAM as specified in the “technical CDR form”, version 2006. A copy of the technical form is an attachment to this manual.

4.3.3.3 Distribution from the warehouse in the transit town to the CDR or regional depot.

- 1) The central warehouse (transit town) will distribute the medicines to the CDRs. The shipment will be accompanied by all documents from the vendors so that immediately upon arrival, the receiving document can be established.
- 2) An invoice created by the transit depot will accompany the shipment. The original copy will be kept at the consignee CDR. The transporter will hand over to the regional warehouse a copy duly signed by the CDR. After reviewing this signed copy, 70% of the balance of the invoice may be paid. When the receiving reports have been sent to the COP, the balance of the vendor’s invoice may be paid.
- 3) A service contract, with security and quality assurance clauses, will be signed between the partner agency and the transporter.

4.3.3.4 Distribution from the CDR/regional depot and the Health Zones

In the regional depots, a “requisition” (pull) system will guide the supply chain from the depots to the client facilities.

- 1) The project will open lines of credit in favor of the HGR and the BCZS (for the CS) at the level of each CDR or regional depot. The lines of credit will be calculated according population for zones (level of utilization in year 3) and according to the level of activities for institutions.
- 2) The CDR will receive the medicines from Axxes valued at 100% of the acquisition cost. This cost will be based on the actual price of medicines + transport costs + discount on total cost of meds (5% in the case of IDA).
- 3) The CRD will receive 7% of each requisition as a direct payment for the functioning of the CDR / depot. These payments will be made every three months and will come from the HZ essential medicines budget line.
- 4) The CDRs and the depots will deliver the medicines to the BCZS and the HGR within the limit of their lines of credit opened by AXxes and following their own requisitions. Transport costs from the CDR to the BCZS will be covered by the BCZS and the project as necessary. The medicines will be valued at 100% of acquisition cost.
- 5) The orders from the BCZS and the HGR to the CDR/depot will be submitted on a standard order form following the one of the PNAM and signed by the person authorized to do so for each institution.
- 6) The depot will be charged with evaluating the requisitions of the institution in order to be sure that it conforms to the available consumption reports from the institution.
- 7) The CDR/depot will use the Fiches Techniques as provided by the National Supply Program for Medicines through the National System for the Management of Medicines
- 8) Organizational training with the technical assistance of MSH will serve to reinforce the capacity of the managers at all levels of the system.

4.3.3.5 Distribution to the interior from the Health Zone

- 1) Each BCZS must organize a Zone Pharmacy designed to supply the CS conforming to the directives of the National Supply Program for Medicines. The HGR will organize its own pharmacy independently from that of the BCZS.
- 2) The BCZS, HGR and CS will use the Fiches Techniques as provided by the National Supply Program for Medicines through the National System for the Management of Medicines.
- 3) At the beginning of the project, the BCZS will allocate to the CS a beginning supply of medicines from the approved list of AXxes medicines. The value of the medicines will be based on 100% of the acquisition cost.
- 4) After having received the initial stock of AXxes medicines, the CS will send to the BCZS requisitions from the approved list of AXxes medicines, based on the designated line of credit for each CS, to replace their stock as needed.
- 5) The CS will sell the medicines to the patients at 60% of the value of medicines received from the BCZS.
- 6) The total of the receipts from the sale of the medicines to the patient will be sent to the BCZS. (60% of the value of the medicines received from the BCZS).
- 7) The BCZS will deduct 10% of the receipts to be used for the functioning of the BCZS.

- 8) The BCZS will then send the remaining amount from the receipts (50% of the original value of the medicines received from the BCZS) to the CDR/depot.
- 9) The CDR/depot will set up an account for all the CS together in order to deposit the 50% payment from each CS.
- 10) This account will be used exclusively by the CS for the purchase of needed medicines that are not on the AXxes approved list.
- 11) At the beginning of the project, the BCZS will allocate to the HGR a beginning supply of medicines from the approved list of AXxes medicines. The value of the medicines will be based on 100% of the acquisition cost.
- 12) After having received the initial stock of AXxes medicines, the HGR will send to the BCZS requisitions from the approved list of AXxes medicines, based on the designated line of credit for each HGR, to replace their stock as needed.
- 13) The HGR will sell the AXxes medicines to the patients at 100% of the value of the medicines received from the BCZS.
- 14) The HGR will retain 20% of the receipts for the functioning of the HGR. This must be accounted for as Program Income and may not be applied to salaries.
- 15) The HGR will then send the remaining 80% of the receipts to the CDR/depot.
- 16) The CDR/depot will set up an account for the HGR in which to deposit the 80% payment.
- 17) The account will be used exclusively by the HGR for the purchase of needed medicines that are not on the AXxes approved list.
- 18) In view of assuring rational use and management of medicines, training will be organized for the pharmacists, aides and all responsible parties in the BCZS, HGR and CS. The training will be based on the National System of Management of Medicines as approved by the National Program for the Medicine Supply Chain, including the use of approved Fiches Techniques.
- 19) The MIP, MID needs to be informed of all resources Axxes brings to their zones.

5.0 FINANCIAL MANAGEMENT

The goal of this chapter is to serve as a practical guide to the partner agencies in the matter of financial management for the AXxes project.

These procedures are not intended to describe to financial professionals the details of accounting and financial management but rather to give the big picture of the financial and accounting system of the project. The elaboration of these procedures serve to assure good management of the funds of the project and to put into place a good system of reporting of the financial information.

5.1 RESPONSIBILITIES

I.M.A./COP is principally responsible for the management of the funds vis-à-vis USAID.

The implementation agencies have absolutely no financial responsibility vis-à-vis USAID. On the other hand, for all the project funds that they receive, the agencies respond to I.M.A. following the terms of the contract that binds them.

5.2 COLLECTION OF FUNDS FROM THE FUNDERS

5.2.1 Financing process

USAID is the principal backer for this project. USAID will credit the I.M.A. accounts following the terms of the Cooperative Agreement. I.M.A. in turn will credit the accounts of the head office of the implementing agencies following the terms of the contracts that binds them to I.M.A. Each agency must notify I.M.A. in order to certify that their account has been credited.

The head office of the agencies will credit their representatives in the DRC according to their needs in order to implement the project.

The agencies do not need to open special accounts for the AXxes funds. However, it is recommended that they open special accounts.

5.2.2 Re-supply of the agencies' special accounts

There are two ways to re-supply the agencies' accounts:

- 1) Pre-financing by the partner agencies with their own funds followed by a reimbursement by I.M.A. upon receiving their invoice.
- 2) Pre-financing by I.M.A. In this case, the pre-financing depends on clear and transparent accounting with justification of the balance, budgeting of their needs and financial reports. In all cases, there are three forms supplied by I.M.A. to fill out in order to facilitate the management and follow up of funds. (Attachment).

5.2.3 Verification of expenses by the agencies

The agencies will send monthly financial reports to the Grant Manager who will analyze them and give advice on their validity and, if necessary, work with the agencies to help them improve.

The control of the expenses determines their eligibility and validity with relation to the planning. These verifications are made based on the agencies' financial reports, unless it is necessary for the Financial Manager to go to the field to verify the justification pieces and the procedures for the expenses. The verification is also made at the time of the audit either by exterior firms or the USAID team or I.M.A.

5.2.4 Budgeting process

The COP is responsible for working out the budget for the project.

Each partner will work out the budget detailing the outlay for their activities, specifically the cost of each anticipated activity in the implementation of the project and within the measures of possibility for each health zone.

Taken as a whole, the budget of the project is divided into two parts: one relative to the support to the health zones and the other relative to the management activities of the agency.

The funds relative to the support of the health zones will be divided in the following manner:

Table 1: Health Zone Global Support & PMP Indicators

Category	Budget Category	USD per HZ/year
Equipment.	HZ Vehicles (1 moto + 20 bikes per yr)	6.000
Program.	HZ Operations	10.000
Program	Minor rehab of HC & RHC	9.000
Program	Hospital (maternity/RH/MCH)	4.000
Program	6 HCs, including microscopes for 2	8.000
Program	PMA (malaria, ARI, CDD, EPI)	5.000
Program	Other HZ-based training, e.g., FP, GBV	5.000
Program	National Training/Conferences	2.000
Program	COSA/Communautaire + GBV	5.000
Program	IEC & PHC (Fiches, SNIS, CALs, GBV)	8.000
Supplies	Essential Meds (IDA type) + shipping	18.000
Supplies	GIK processing & Other Supplies, etc	3.000
Program	Malaria: ITNs (bednets)	17.000
Program	Cold Chain, petrol and solar	8.000
Program	Family Planning: shipping & supplies	2.000
Program	HIV & RPR testing for blood safety	1.500
Program	Tuberculosis	1.500
Program	Vitamin A Campaign +Fe + Meb.	2.000
Program	ORT treatment + Zinc	4.000
Program	Management of Epidemics	2.000
Program	Studies local KPC	2.000
Program	Livelihoods Pilot testing	5.000
		\$128.000

Each partner must detail the activities for each category and specify the budget for each one of them.

These funds are susceptible to modification following the directions of USAID. Thus the modifications can be entered between the lines. These funds can also be completed with additional funds.

Following the outlay in the field, the partner agency can reassign funds from one line to another being that the line is already covered or being that a particular situation needs priority of one line in relation to another line.

However, all changes or reassignment of funds must be sufficiently motivated and the agency must solicit the non objection of the COP.

The funds for the support of the health zones can not be dispensed and justified except in this fashion.

5.3 ACCOUNTING SYSTEM

5.3.1 Accounting process

The accounting process of the AXxes project will begin on 18 September 2006, which corresponds to the date of the signature of the agreement and the closing will be on 17 September 2009, corresponding to the end of the project.

5.3.2 Accounting plan

The accounting plan for the project is the one proposed by I.M.A. according to the attached model. Each agency is called upon to conform to it for the monthly reports and quarterly reports in order to make the accounting operations easy.

The proposed table will only pick up the principal account lines. The partner agencies can add sub-accounts (with supplementary sums) as needed.

5.3.3 Rules of accounting

The accounting for the AXxes project must be thorough, covering all its resources and use. Entries should be made in real time.

The following rules are considered to be essential for the accounting system for this project:

- To permit one to follow the execution of financial activities.
- Simplicity of the adaptation and implementation.
- To show proof of transparency.
- All accounting documents must be signed.
- A register of all accounting documents must be kept and all accounting operations must be entered covering every possible detail.
- Cancelled documents should not be destroyed but maintained in the original book.
- The system must serve as the base for all audits and investigations.
- To respect generally accepted accounting principles conforming to legal accounting procedures.
- Flexibility of the system in order to adapt to future development.
- The system must permit transfer to other applications and data processing programs to adapt to the system put in place.

5.3.4 Money and conversion of balances into foreign currency

Accounting with regard to this project will be done in American dollars. For the conversion of the balances into dollars, only the exchange rate used by the American Embassy or the national bank of DRC will be accepted.

5.3.5 Program Income

Program income (money generated by the sale of goods and services): MII, medicines and contraceptives should be a part of the accounting and must be added to the total amount of the project.

Each partner agency should put into place a system of verification and follow up for receipts and expenses (effective use of these funds) for the accounts of the field projects.

It falls upon the COP to indicate for what these funds are to be used. However, according to the realities in the field, the implementing agency in collaboration with the health zone teams can make proposals to the COP as to the use of these funds.

5.3.6 Logiciel (Data processing program) and accounting documents

There is no specific data processing program for the AXxes project. Each agency may use its customary data processing program. However, the agency will transcribe the accounting information in the EXCEL format recommended by the Grants Manager in order to facilitate ease of reporting and follow up.

The following documents and registers will be used in this project:

- Receipt book
- Cashier receipt and expense forms
- Invoices
- Order forms
- Requisition forms
- Check book
- Cashier journal
- Consolidated journal

5.3.7 Depreciation and expensing

Depreciation and expensing are not applicable in the accounting for this project.

5.3.8 Consolidation of financial state

The consolidation of the financial state will be done at the level of I.M.A. using the consolidated reports coming from the headquarters of the partner agencies.

This is to say that each agency, as well as the monthly report sent to the Grant Manager, must send these reports to their headquarters which in turn sends them on to I.M.A.

I.M.A. will do a consolidation of all the reports and send it to the COP and the partners.

5.3.9 System of financial reporting

The agencies will send monthly financial reports to the Grants Manager following the model shown in the attachment.

This report will include major accounts and sub-accounts to detail earnings as they come in. An explanatory note should always accompany the table in EXCEL.

These reports will be presented in English and are sent to the persons at the following addresses:

The COP (Larry@Sanru.org), Finance Manager, Grants Manager (Wayne@Sanru.org)

5.3.10 Arrangements for internal audits

The Financial Manager will make visits to the partners in order to resolve questions, verify the conformity to the rules from USAID and to do internal audits for the project.

Each agency should also put into place an internal system of control for management.

5.3.11 External audits

Each partner must organize, each year, at its own expense, an audit, called “external” (OMB A-133).

The auditor firms must be approved by USAID (there is a limited list of USAID approved auditors with the COP, who will engage the auditors approved by USAID).

USAID, I.M.A. and the COP can, if necessary, ask for an external audit. The partner agency involved will be informed in advance concerning the items necessary to accomplish the audit.

5.4 FUNDS TRANSACTIONS BETWEEN PARTNER AGENCIES IN DRC

Before the COP or a partner agency in the consortium under takes an “unusual” expense on behalf of the COP or another partner agency (procurement and trainings not included):

- 1) The COP or partner agency making the expense must supply in writing (email) a budget and request for authorization to expend from the reimbursing partner agency.
- 2) The Program Manager of the reimbursing partner agency must give approval in writing (email) prior to the advance taking place.
- 3) The COP or partner agency advancing the funds will create a receivable entry in their accounting, listing the reimbursing agency as a debtor, and will prepare a bill for reimbursement with supporting documentation and instructions for repayment. These documents will be transmitted to the reimbursing agency for payment.
- 4) When repayment is made, the reimbursing agency will inform the COP or partner agency that made the advance as to all information pertinent to the repayment so it can be identified and used to retire the receivable entry in their accounting.
- 5) None of the above pertains to “Group Purchases” by the COP described in section 3.3 above.