

CAPACITY BUILDING SUB-COMMITTEE

PROCEDURE 8

PROJECT FINANCE MANAGEMENT

PROCEDURE 8 provides guidelines for the finance management of a project funded by the CBFund.

Explanation:

Part 1 of this document contains the **standardized procedure** for finance management that must be followed by the Project Leader. This Procedure was developed in order to comply with the Auditing Team recommendations. It provides guidance for the planning, approval, execution and reporting of the finance activities.

Part 2 of this document provides the **templates** to be used by the Project Leader to manage the finance activities.

The finance management of a CB funded project shall observe the following:

1) In general, the expenses are organized in the following fashion:

- a) Air tickets are usually issued by the IHO and the e-tickets sent to the participants. The flights will be the most direct possible. No stopovers for personal reasons will be accepted unless paid for personally.
- b) Accommodation, meals and local transportation are organized by the host country. The meals can be contracted together with the accommodation or in a separate agreement with a restaurant. It is required that the organizers specify if the meals are included in the accommodation expense or not.
- c) Local transportation is usually under the organizers' responsibility, unless is it requested and approved by the CBSC.
- d) Course material is prepared and organized under the supervision of the project leader.
- e) Usually two modalities can occur: either the IHO pays to the service provider or reimburses the organizers when they pay for the service. In the second case the organizers will need to provide an invoice addressed to the IHO, with the supporting invoices attached.
- f) Exceptionally the IHO can pay a per diem for students and instructors, due to particular conditions and the organizers will need to provide a signed receipt and a copy of the recipient's passport to the IHO. The per diem will be computed according to the daily subsistence allowance of ICSC. In the case where one region has two available values for the per diem, the one with a lower rate will be considered. The CBSC policies only authorize to pay for accommodation plus meals or per diem, but under no conditions for both. For the IHO to be able to transfer the per diem, the Project Leader should provide the participants' bank details as shown in item 5b below.
- g) Other expenses (visa, coffee breaks, cocktails, banners, pamphlets, etc.) are not covered by the CB Fund and will not be reimbursed.

- h) To be entitled to reimbursement, the above items have to be requested to and approved by the CBSC and all the documentation properly addressed to the IHO.
 - i) In case an external consultant will be employed in a technical visit or provision, the contracting Hydrographic Service will issue a letter of mission designating the consultant, with a breakdown of the costs supported by the IHO.
- 2) The IHO is not allowed to reimburse or pay the expenses that do not follow this procedure as they will not be approved by the Auditing Team (see IHO Resolutions 1, 2 and 3/2004).
 - 3) **At least 60 days before the project starts**, the RHC Chair must inform to the IHO the name and contacts of the Project Leader, and the provisional dates of the respective project. After this point, all the communication and requests regarding this particular project will be dealt only by the IHO and the Project Leader.
 - 4) The CB Coordinator will brief the Project Leader about the CB Procedures and the best practices for the execution of CB activities.
 - 5) **At least 30 days** before the event begins, the Project Leader must inform to the IHO:
 - a) Starting date
 - b) Finishing date
 - c) Venue
 - d) List of participants, according to the template provided in part 2 (template 2).
 - e) Planned expenses, as approved by the CBSC, and the form of payment as outlined in item 1. The expenses must be informed in the local currency with an estimation of its equivalent in Euro.
 - f) The IHO will verify if the expenses and issue an approval letter to the Project Leader.
 - g) The air tickets have to be requested to the IHO at least **two months** before the event, in order to allow the IHO to get reasonable rates. The information listed in Part 2 (template 2) must be provided to the IHO. If the organizers decide to make the travel arrangements themselves and only afterwards seek for reimbursement from the IHO, it is necessary to book only economy class flights.

- 6) Upon the completion of the event, the project leader will send a finance report to the IHO, no later than 30 days after its end.
- 7) The report must be done according to Part 2 (Template 1) and have the following documents attached:
 - a) The final list of participants, highlighting the participants sponsored by the CB Fund.
 - b) Invoices from the local companies that provided services or from the organizing institution. The invoices must have:
 - letterhead identifying the company/organization
 - the titular of the account (the same as in the letterhead)
 - bank details:
 - Name and address of the bank (country, city, street)
 - ACCOUNT NUMBER
 - IBAN
 - SWIFT Code or the Routing number or the BIC
 - destination of the resources, as approved by the CBSC
 - the justification that supports the invoice from the organizing institution
 - c) The company may either address the invoice to the organizing institution (in this case the institution will pay the expenses and seek reimbursement from the IHO through an invoice) or directly for the IHO (the invoice MUST be addressed to the IHO).
 - d) A signed receipt and a copy of the passport of each participant and instructor if the IHO exceptionally paid a per diem.
 - e) A signed receipt and a copy of the passport of each instructor under contract.
- 8) In accordance with Procedure 7, both the National Hydrographer and the applicant agree that in case the applicant is not able to attend the CB activity the expenses incurred by the IHO will be reimbursed.
- 9) At the closure of the fiscal year (31 December) of the respective CBWP the activities not executed will be automatically cancelled. CB Coordinators willing to execute the activity after that date need to get previous approval from the CBSC.

10) The above report (and copy of attachments) must be sent to the IHO in digital format to cba@iho.int (copy to adcc@iho.int) and also by post with the original receipts and invoices.

Two templates are available for the finance management of a CB funded project:

- 1 – Template 8A for the Finance Management Report
- 2 – Template 8B the registration of participants with flight information

Note: these two templates are available in Excel (xls) format.