Project Implementation and Finance Guidance
for Implementers-FY1516 Bidding Round

Key Responsibilities, Financial Management and Reporting

1. Key responsibilities of the Implementer

The Following is a summary of the key responsibilities of the implementer at each stage of the project. More detailed financial and reporting information is included in later sections.

Project design

During project design stage, implementers are expected to:

1. Develop a project concept, full bid and Activity Based Budget (ABB), in line with the Prosperity SPF Strategy and FCO guidance.
2. Establish a team, ready to deliver, as soon as the full bid is approved and contracts signed.
3. Establish support from government and key stakeholders, including agreement to participate and permission to share data, where needed.
4. In the week following Board approval of full bids, agree the roles and responsibilities with all co-implementers (if applicable) before signing a grant contract which attaches a final version of the full bid (including ABB), incorporating any amendments agreed with the Embassy/Consulate.
5. A copy of any sub-contracts or agreements with co-implementers should be provided within 2 months after project sign off and contract signing.

Implementation

During implementation of the project, implementers are expected to:

- Deliver according to the terms and conditions, schedule and budget agreed in the grant contract, full bid and activity based budget.
- Notify the FCO project manager promptly, where they need to propose changes to the schedule and/or budget.
- Confirm with the FCO project manager on activities for the following month through the Monthly Workplan and Profiled Spend and make sure the ABB reflects the latest situation on an on-going basis.
- Provide invoices and supporting evidence (e.g. copies of invoices and receipts).
- Provide quarterly progress reports to the FCO project manager.
- Meet with their assigned FCO project manager and policy officer to discuss progress on the project on a quarterly basis and when necessary.
- Ensure they consult all co-implementing organisations listed in Final Bid Form on the content of outputs delivered and Quarterly Monitoring Reports and share with them the final Quarterly Monitoring Report including attached evidence of outputs.
- Invite their assigned FCO project manager and policy officer to key project events (launch events, dissemination events, key seminars) and agree details (such as agenda and attendance list) with FCO leads in advance.
- Provide key deliverables in draft for FCO review and provide feedback and in final form, according to the schedule contained in the full bid.

Please note that a fully completed Quarterly Report and financial information is <u>required</u> to process quarterly payments.

<u>If there is prolonged failure to deliver satisfactory progress reports on time, financial information and/or deliverables, then the FCO may terminate the grant contract</u>.

At the end of the project

At the end of the project, implementers are expected to:

- Have provided final versions of all the outputs set out in the Final Bid Form, which take account of feedback from their assigned FCO project manager and policy officer.

- Produce a satisfactory Project Completion Report as confirmed by the programme team
    o Evidence of progress against the project purpose (referring to the indicators of success) and confirmation that the purpose has been achieved, or if not, the reasons.
    o Evidence of delivery of the outputs.
    o Confirmation of that all activities were completed, and if not, reasons.
    o Evidence that the benefits of the project will be sustained.
    o Confirmation of actual versus planned spend and reasons for significant variance.
    o Explanation of how value for money was achieved.
    o Identification of external factors that contributed to the achievement of the project purposes; any unplanned outcomes; and lessons learnt.
    o Feedback and comments on FCO procedures and systems.

- Final Project Completion Report **must be submitted within 12 weeks** after project completion:
    o Provide the first draft <u>within 6 weeks after the project completion</u>.
    o Present the project outcomes/impacts to the Programme team (as arranged by the project manager) in the form of face to face presentation/meeting, or teleconference where face to face meetings are not available.
    o Finalise the completion report based on the meeting feedback and submit to the project manager <u>by the end of 11 weeks after the project completion</u>.
    o The project manager and programme team will review and confirm satisfactory receipt <u>by the end of the 12 weeks after the project completion</u>.

Please note that FCO will withhold the final payment for the project, until a satisfactory project completion report has been provided.

- Agree to the dissemination of the project's key deliverables, via the FCO Prosperity SPF website.

2. Activating the Project

Upon approval of the project, the following actions will be taken to activate the project:
1) The British Embassy Beijing/Consulate Generals will work with the implementer to agree final amendments to the full bid form and activity based budget

2) The British Embassy Beijing/Consulate Generals will write to you formally to approve the project with all templates you will be using during the project implementation

3) A **contract** will be prepared to be signed by both parties (see the template grant contract at **Annex 0**). The final full bid form and activity based budget will be included as annexes to this contract;

4) A completed **Supplier Information Form** (see **Annex 1**) needs to be submitted to the Embassy/Consulate Prosperity Programme Team <u>within one week after the contract is signed</u>. Please make sure the bank account provided is a/an business/company/organization bank account and also the one that you will be using through the lifetime of the project; amendments to the bank account during the implementation of the project will cause unnecessary payment delays.

5) A **project code** will be released by FCO London;

6) A **Purchase Order Number** will be created at the beginning of each financial year as an identity on the FCO financial system.

7) A **List of Project Team Members** need to be provided with a CV attached for each team member.

8) In relation to projects falling under the remit of the China UK Working Group on Climate Change, a joint National Development Reform Commission and FCO approval letter will be sent.

3. Financial Management

3.1. The financial responsibilities of implementers are divided into 3 stages: contract signing stage, implementation stage and project completion stage.

- **Finance guidance on contract signing**

During contract signing stage, implementers are expected to:

1. In the week following Board approval of full bids, sign a grant contract which attaches a final version of the full bid and activity based budget, incorporating any amendments agreed with the Embassy/Consulate.

2. Fill in the supplier registration form to provide implementer's banking information and email it to the Embassy/Consulate for payee record set-up in financial system. If the payment is in RMB, please fill in the form in both English and Chinese.

- **Finance guidance on implementation**

During implementation stage, implementers are expected to:

1. Deliver according to the budget agreed in the grant contract, full bid and Activity Based Budget

2. Provide a Monthly Work Plan and Profiled Spend to project manager <u>by 5th for each month's project activities</u>.

3. In the event of significant underspend/overspend which may cause the reschedule of activities and budget, notify the FCO project manager promptly to confirm the actual monthly spending and clarify remedy actions.

4. Provide invoices and supporting evidence (e.g. copies of invoices and receipts) on quarterly basis in email attachments. Ensure all invoices are in standard invoice template format with company letterhead and are stamped or signed off by your finance department or head of department. Ensure all invoice documents are sent to the Embassy/Consulate **within 10 working days (2 weeks) following the end of each quarter**

(i.e. within the first two weeks of July for Q1 payments). <u>The Embassy/Consulate has the right to refuse payment of delayed invoices.</u>

5. Provide Quarterly Progress Reports to the FCO project manager by the <u>7th of the first month of the following quarter</u>.
6. **Quarterly Project Progress Reports must always be signed off by an appropriate representative from the implementer organisation**.
7. Payment will only be released after project manager confirms the satisfactory receipt of quarterly progress report and the complete submission of financial information.

   o **Finance guidance on project completion**

At the end of the project, implementers are expected to:

❖ Provide the project completion report, relevant output reports <u>within 3 months </u>together with invoice documents. Upon satisfactory receipt of the project completion report, the final payment will be released.

Please note that FCO will withhold the final payment for the project until a satisfactory project completion report has been provided.

3.2. Activity Based Budget (ABB)

The ABB is of central importance for financial monitoring of the project by both parties and ensures value for money. The ABB clearly indicates all of the individually-costed project activities against each output, with cost breakdowns, and identifies the budget period in which they will be carried out.

The ABB is the main tool for determining the project inputs and funds required by the project within a given budget period. The ABB is used to forecast draw-downs on the project budget, and also to serve as the basis for reports on the financial status of the project at any given time.

The ABB should be developed in the provided **template** and follow the **cost guidelines** (see **Annex 2**). Depending on the project content and nature of implementer, all applicable cost categories ranging from consultancy cost to project administration cost shall be reflected in the ABB. Where costs are not consistent with the budgeting guidelines justification will be needed. For project with multiple implementers, each implementer will create a separate ABB in addition to the consolidated ABB.

3.3. Monthly Workplan and Profiled Spend

The global Prosperity Programme requires that we perform 'resource accounting', where we are required to record project activities and enter project spend into the FCO financial system on a monthly basis. There is also a requirement to forecast on a monthly basis. For this reason, project partners are required to submit a Monthly Workplan and Profile Spend (see template in **Annex 3**) by the **5th of each month** to track project progress and to allow us to forecast effectively. Although activity delivery and project spend is recorded on a monthly basis, payments (and evidence for processing payments) will be carried out on quarterly basis (see below)

3.4. Quarterly Progress Report and Project Completion Report

A Quarterly Progress Report (see template in **Annex 4**) is required to be submitted **by the 7th of the first month of the following quarter**. A fully completed Quarterly Report is required to process quarterly payments. Project Managers will review Quarterly Progress Reports on submission and request for extra information if required.

A **Project Completion Report** (see template in **Annex 5**) should be completed by project implementers within 0-3 months after project completion. You are expected to submit your first draft to the project manager **within 6 weeks after the project completion**, present the project outcomes/impacts to the programme team (organised by the project manager) in the form of a presentation or face to face/telephone meeting **within 10 weeks after the project completion**, and finalise the report **by the end of the 11th week after the project completion.**

The project completion report provides an evaluation of the overall outcomes delivered by the project and how the project has met the original project purpose and outputs as stated in the original bid form. **The final invoice will NOT be processed until project manager confirms the satisfactory receipt of project completion report.**

3.5. Payment

Payments are made in arrears (as a reimbursement) on a quarterly basis following submission of invoice documents during the first 10 working days in the first month of the following quarter (i.e. in first 2 weeks of July for Quarter 1 payment). Payments will be processed upon submission of the following documents:

1) **Invoice** in provided template (see **Annex 6**). Please note that the invoice will need to be stamped or signed for payment authorization with company letterhead and emailed in PDF format. For auditing purpose all implementers need to send scanned copies to the British Embassy or the British Consulate Generals. If the payment is in GBP, please quote Embassy or Consulate General in the invoice template as payer. This will make sure that you are exempted from Value Added Tax.
2) **Scan Copy of Expenditure Breakdown** (see template in **Annex 7**) by activities and **Scan Copy of receipts and supporting evidence** that back up the stated cost.
3) **Scan Copy of Personnel Cost Breakdown** should be prepared in provided template (see **Annex 8**). .
4) The beneficiary's bank account on the invoice should not be a private account unless the project is implemented by individual.
5) Implementers are not supposed to contact FCO payment processing centres directly and all payment requests shall be raised to the designated programme finance officer at post.
6) When converting GBP into local currency for payment preparation, the exchange rate shall be based on the FCO exchange rate, which the designated post finance officer will provide you closer to the payment arrangement date.
7) The period of the invoice shall be clearly stated. (i.e. for which quarter: Q1, Q2, Q3 or Q4)
8) Bank account information shall be included in the invoice, and should be consistent with the information provided in the Supplier Information Form after the contract is signed.
9) Quarterly Progress Report (for quarterly payment).

10) Project Completion Report (for final payment).

11) Time to process each payment is dependent on the quality of submitted project reports and invoice documents. **Payment will NOT be released unless all documents are submitted as requested above.**

3.6. Procurement

Please note that you will need to follow the UK/EU Procurement Guideline:

(a) The UK is committed to ensuring that we procure goods and services using an open, competitive process that ensures value-for-money. As part of this, implementing organisations should ensure that any procurement of goods and services is fair and transparent. Implementing organisations can consult the British Embassy/Consulate Generals for suggestions of suppliers of goods and services.

(b) Please list the third party goods and services you require to deliver this project. For any third party goods and services you are purchasing/sub-contracting to deliver this project, you should follow the following thresholds:

Procurement Cost Level	Competition Process
Below £5,000	Only required to invite quote from one supplier, although need to ensure value for money.
£5,000 - £25,000	Written quotations should be obtained from at least 3 different suppliers.
Over £25,000	Competitive tendering process using sealed bids.
Above €125,000	Following EU procurement guidelines for goods or services valued over Euros €125,000).

(c) You will need to ensure that procurement is fair and transparent and seeks value for money?

You are not required to follow this process if they submit as co-implementer Project partners.

Activity-Based Budget Guidance for Implementers

This Activity-Based Budget (ABB) Guidance is developed to serve as an external guidance for SPF project implementers when constructing the ABB and when assessing cost options for a range of cost categories including expert fees, venue hire fees, travel and accommodation, etc. The detailed cost guidance on the available cost range for each category is provided in the ABB template.

Good value for money is one of the key criteria for selection of successful bids (use of resources to save cost, time and effort). To ensure a project is good value for money, it is essential that project implementers construct the activity-based budget carefully and discuss with project managers to ensure balance between project outcome and cost effectiveness.

NOTE:

The Prosperity Fund will only pay for costs that have been agreed in advance in the ABB. Any additional costs through the lifetime of the project will need to be approved in advance by the Prosperity Project team (for example publication costs, additional experts etc).

A cost range has been set for each category. Any ceiling rate proposed by implementers will need to be justified to the Prosperity Fund project team.

Cost options assessment

❖ **Expert time**

The Prosperity Fund does NOT pay staff time of implementing organisations but will pay for experts time if needed for the project. Expert's fee is provided in the range from £10 person/day to £500 person/day depending on qualifications and experience needed for project delivery. Details of scales please refer to the 'guidance' tab of the ABB sheet. The level and length of expert's fee charged shall reflect the nature of work and the seniority of the implementer. The number of expert days shall equate total actual working hours needed for project delivery.

In the ABB, please include the name of the Principle/Senior Expert where it says: Personnel (principle/senior expert include name). This is not necessary for other types of personnel.

NOTE that the Prosperity Fund will only pay for expert's time that has been agreed in advance. If other payments to experts are needed during project implementation this must be cleared with the Prosperity Fund project team in advance.

The Prosperity Fund does NOT pay for government officials' time.

❖ **Accommodation and subsistence**

Accommodation and subsistence package includes hotel accommodation and all meals on a business travel day. For travel in London, the ceiling rate is £180 person/day; for travel in Beijing, Shanghai and Guangzhou, the ceiling rate is £110 person/day; for travel in cities other than Beijing, Shanghai and Guangzhou, the ceiling rate is £80 person/day.

❖ **Flights**

You are entitled to economy class for both domestic and international travel. Booking in advance is encouraged so lower rates can be secured. For example, normally the return flight between Beijing to London is between £700 and £1,500, depending on the seasons and if booking in advance. Costs in excess of the economy class will need to be met from other sources.

❖ **Event venue**

The event venue package refers to the highest baseline standard per person per day which includes: 1 meeting conference room for 8 hours; 1 buffet lunch; 2 coffee+snack breaks; basic audio-visual equipment; pen, writing pads, and iced water etc. For event in Beijing/Shanghai, the ceiling rate is £65 person/day; for event in cities other than Beijing and Shanghai in China, the ceiling rate is £50 person/day. This rate should only be applied on events that involve (key) external stakeholders. For example, we wouldn't expect internal working meetings need to use the same package.

❖ **Others**

Other costs such as translation or website maintenance can be found in the cost guidance in the ABB template. However, the Prosperity Fund does NOT support the following categories:
- Equipments and facilities including desktops, laptops, printers, scanners, cameras, etc;
- Office rental;
- Government official time for meetings, seminars. If Officials are needed as experts for the projects then please send in written justification which will need to be approved by the Prosperity Fund.

When constructing the ABB

The ABB is the main tool for budgeting reference and it reflects key project activities on a monthly basis in order of the designated project outputs. When completing the ABB template, implementers are expected to describe the main activities according to each output and provide the profiled monthly spending with calculation details in consistence with cost guidance. When constructing the ABB, implementers should:

- Ensure good value for money for all activities
- Group the spending lines into different expenditure categories for ease of reference; include all costs (including project administration costs if needed)
- Ensure correct setting of (excel) formula that calculates the monthly project allocations, quarterly allocations and total annual allocation
- Provide separate ABB details and indicate responsibility owners in the Activity Description column if there are co-implementers (when invited for full bid development)

FCO SPF Programme Cost Guidance for Implementers			
Cost Category	**Cost Range**	**Standard Price**	**Note**
Desktops, laptops, printers, scanners, cameras, etc	N/A		The Prosperity Fund does not support this category. If project needs to purchase items in this category, please seek funding from other sources.
Office rental	N/A		The Prosperity Fund does not support this category. If project needs to purchase items in this category, please seek funding from other sources.
Salaries	N/A		The Prosperity Fund does not pay staff salaries but instead the time they are needed by the project, followed the hourly rated requested below.
officials to attend meetings, seminars, etc.	N/A		The Prosperity Fund does NOT support this category.
Principal expert (expert who provides essential international expertise needed for the research/study)	£300-£500		
Senior expert (expert who provides key consultancy and analytical work for the research/study)	£150-£300		
ExpertExpert (expert who provides general consultancy and analytical work for the research/study)	£100-£150		The level of pay across the project team should reflect the nature of work and seniority of implementers.
Junior expert (personnel that provide entry-level analytical and consultancy work for the research/study)	£60-£80		
Assistant to expert (assist the experts to collect information, carry out research, interviews, etc.)	£30-£60		
Project manager	£30-£60		
Admin assistant	£10-£30		

The person day consultancy cost shall be based on accumulative basis. For example, if the person spends 2 hours a day for SPF project and rest of 6 hours on non-SPF work, the total consultancy cost for 4 working days shall be calculated in ABB as 1 person day (counting 8 working hours as 1 full working day).

Accommodation and Subsistence per person/day (Beijing, Shanghai and Guangzhou)	£80-£110	
Accommodation and Subsistence per person. day (other cities in China)	£50-£80	This package covers both accommodation and daily subsistence for meals, travel, etc. Reimbursable upon actual invoices.
Accommodation and Subsistence per person. day (overseas accommodation such as UK or US)	£120-£180	
International return flights to UK or US	£700-£1,500	All needs to take economy class for both domestic and international flights.
Domestic return flights	Varied depending on the destinations	All needs to take economy class for both domestic and international flights.
Event venue cost per person. day (events in Beijing, Shanghai, Guangzhou)	£45-£65	This should be the baseline standard that includes: 1 meeting conference room for 8 hours; 1 buffet lunch; 2 coffee/snack breaks; basic audio-visual equipment; pen, writing pads, and iced water etc.
Event venue cost per person. day (events in other cities)	£20-£50	
Consecutive interpretation per day	£200-£600	This applies to interpretation carried out within China and internationally
Translation	£20-£40	Chinese to English per 1000 Chinese characters
Website maintenance (Web domain purchase and website content update)	Website cost shall be detailed into ABB with calculation as number of days x daily cost	If the website needs to be updated only half a day a month, the time of cost for 2 months shall be counted as 1 working day

Note 1: Please provide the budget details in the form of:

Number of days x day rate
Number of people x rate for hotel and subsistence (in China or UK)
Number of people x price of a flight
Where a venue is hired and how many people this is for

Note 2: Non-Chinese implementers are required to confirm the VAT status of their services before the Accountable Grant contract is signed. The FCO does not cover VAT for services delivered in China. However, please notify us if you will sub contract to partners operating outside of China, or if you will be paid in sterling pounds.

Note 3: Administrative cost should be no more than 5% of the total budget