



# Sahel Regional Fund (SRF)

## *Operations manual*

The Sahel Regional Fund (SRF) is a regional humanitarian NGO fund governed by leading NGOs and FCDO. It strives to deliver high-quality, value for money, principled protection, and humanitarian assistance in Sahel hot spots for most vulnerable people (Outcome), in particular women, girls, elders and persons with disabilities who are amongst the most vulnerable persons affected by the crisis. SRF's unique added value is to invest in four drivers which are key to improve the response to this regional crisis:

- 1 **Predictable, flexible and long-term funding**
- 2 **Strategic and inclusive engagement** with local stakeholders, first responders and endogenous systems to respond to small scale displacements
- 3 Data/evidence and capacity **in coordination forum** for a more principled and effective response
- 4 A regional mechanism **led by NGOs**

The SRF aims at becoming a multi-donor regional pooled fund that ensures timely allocation and disbursement of donor resources to address the most urgent humanitarian needs and assist the most vulnerable people in the Sahel Region.

The SRF is managed by the Danish Refugee Council (DRC).

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## 1. Introduction on the SRF operations manual

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### 1.1. Objectives and Scope

1. This manual, hereafter detailed, shall apply to all Sahel Regional Fund (hereafter: "SRF") Board and governance, committee, staff, and partner members.
2. The SRF operations manual provides guidelines and information on the overall functioning of the SRF. It details the roles and responsibilities of the different members and the different aspects of financial, logistic and monitoring requirements, rules and procedures to be respected by all actors involved in the implementation of the SRF.
3. Every SRF partner shall respect the requirements specified in this document and each consortium lead partner will be responsible for the compliance with this manual in its consortium.
4. The operations manual is in English. However, an officially translated French version (based on the English one) is available on request.

### 1.2. Validation and revision

5. The SRF operations manual is formally approved by two thirds of the voting members of the SRF Board and is available for every partner, grantee and applicant.
6. The Fund Management Unit ensures a formal annual review, to check if any update of the SRF operations manual is needed. This will be an opportunity to formally collect updates and suggestions from the partners/ grantees about any needed change/ update. However, where misunderstandings or a lack of clarity within this manual are raised by the FMU or its partners during the year, adjustments should be made immediately. Any potential change/ update of the SRF operations manual should be approved by the SRF Board (two thirds of voting members) and communicated in a timely manner with sufficient time for partners to adapt prior to the implementation of the changes.

### 1.3. Implementation

7. The FMU will ensure the organisation of a comprehensive induction with the grantees/ partners, to provide comprehensive training about the different requirements enumerated herein. This kick-off meeting is mandatory and will be organised within the first 15 days of the project, following the Project Start Date. The kick-off meeting will be organised by the Consortium lead partner and should involve, from each grantee/ partner in the consortium, its project management staff and its senior management staff.

## 2. Objectives of the SRF

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8. SRF mission is to provide protection and humanitarian assistance to vulnerable populations in the Sahel and Lake Chad Basin, by providing funds for immediate relief to affected populations, strengthening local capacities, supporting skilled aid organisations and paving the way for lasting solutions. It is designed to support and reinforce principled humanitarian response and is guided by the humanitarian principles of humanity, impartiality, neutrality, and independence.

9. The SRF aims to provide predictable, flexible, and long term fundings for international and national humanitarian NGOs, to implement integrated multisector and cross-border response, to strategically and inclusively engage with local stakeholders and first responders and to support a more principled and effective response by using data and evidence as drivers for interventions. This will also underpin a joint regional NGO advocacy agenda to influence policy and humanitarian reform.

### 3. Language

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10. The official language of the SRF is English. All the reporting addressed to the donor such as the quarterly report, the audit report or the midterm evaluation should be in English. However, as the activities will be implemented mostly in French speaking areas, partners who request it could hand out quarterly report to the FMU in French.

### 4. Accountability

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11. The SRF is committed to upholding the principles, standards and values of accountability and transparency, as contained in the Sphere Humanitarian Charter and the Core Humanitarian Standard. These commitments mean the SRF will centre the principles of integrity and transparency at the very core of its mandate and thus in every aspect of its financial management and the way its funds are used.
12. The SRF ensures the implementation of a strong Accountability Framework encompassing both accountability to affected populations, donor(s) and relevant stakeholders and in all undertaken activities. The FMU expects the highest standards of integrity from all SRF board members and partners. From this perspective, FMU and SRF partners will:

<b>CHS</b>	Respect core values conveyed by CHS
<b>IASC</b>	Abide by IASC's Six Core Principles related to Sexual Exploitation and Abuse
<b>Reporting mechanism</b>	Ensure that all grant recipient organisations possess a solid internal complaint reporting mechanism in line with DRC standards.
<b>Feedback mechanisms</b>	Ensure that community-based feedback mechanisms are set across all areas of projects' interventions, integrating a "do no harm" core approach as well as considering specific vulnerabilities.
<b>Investigations</b>	Maintain a right to externalise full administrative investigations when deemed necessary
<b>SRF Charter</b>	Sign and uphold the SRF Charter <sup>1</sup> as a contractual commitment to inscribing Accountability to Affected Populations at the forefront of all SRF's actions.
<b>Aid Diversion</b>	Commit to a zero-tolerance approach towards Aid Diversion, including any associated inappropriate behaviour. All parties will fully co-operate with investigations into such events, whether called by the Board, FMU, the donor or any other third party.
<b>Code of Conduct<sup>2</sup></b>	Commit that certain minimum standard of behaviour regarding fraud, corruption, sexual exploitation and other abuse of persons, are to be observed by all FMU and SRF partners

13. Non-compliance with any of the above standards should be communicated to the FMU immediately after coming to the partner's attention. It will be the partner's responsibility to assess the facts, areas of non-

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<sup>1</sup> The SRF Charter is an annex to the Grant Agreement

<sup>2</sup> The DRC Code of Conduct documentation will be the reference in the regard unless the partner's related documentation has been duly vetted

compliance and to take any corrective actions or steps required to rectify the situation, while keeping the FMU duly informed of the process. Further, the FMU is bound to inform the SRF Board of all non-compliance situations vis a vis the above standards.

14. Regarding investigations into serious misconduct allegations presenting high risks to the SRF, the FMU maintains the right to launch an additional external investigation when finding the partner's investigation to be either falling short of investigative due process standards or to be unsatisfactory in its overall conclusions or systemic recommendations.
15. Any proven misconduct allegations shall be considered grounds for potential termination in line with the terms of the partner's Grant Agreement.

## 5. Governance and Management

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16. The SRF governance structure is composed of a Governance Board, an Evaluation Committee, a Grievance Committee, and a Fund Management Unit.

### 5.1. SRF Board

17. The SRF Board ensure proper oversight and enable the Sahel Regional Fund to make consistent progress toward its mission. The SRF Board is responsible for adopting sound and ethical governance and operational framework. Role and responsibilities of the SRF Board members is detailed in their MOU with the FMU and includes:

- Discuss, suggest amendments and approve SRF programme strategy
- Discuss and approve SRF documents
- Validation of the selection of project proposals
- Oversight on projects' progress
- Management of most serious risks,
- Joint advocacy initiatives
- Contribute to external relations, communication and fundraising in line the advocacy, communication and fundraising plan

18. The SRF Board is composed of the following members:

Permanent members	Non-Permanent members
DRC (Regional Executive Director)	Six INGOs
FCDO (Donor – Funding SRF)	Representation of three national organisations (3)
Independent Observer (s)	

19. SRF Board members are selected by FCDO and DRC through a call for applications and based on expressions of interests / commitments of INGO applicants. The criteria for selection of national organisation representation will be agreed by the Permanent members and the six INGO Non-Permanent SRF Board members in the first meeting.
20. SRF partners need to be able to influence by creating synergy between the targeted project areas and the regional level as well as to support SRF strategic ambition.
21. The Independent Observer(s) oversees the transparency and compliance of the SRF Board's proceedings to the standards set in the SRF Charter. The observer has no power to enforce compliance, but he/she shall promote the collective responsibility of SRF members to uphold and abide by the principles and commitments contained within the SRF Charter. The identification and the selection of the observers is done by the FMU.

22. The FMU will develop a quarterly meeting schedule that will be shared and updated regularly to reflect meeting expectations, agenda items, etc, including for ad hoc meetings of the SRF Board.
23. All SRF Board members are expected to participate in decision making and share the power through sharing their views/analysis, debating and reach agreements through voting process.
24. At the exception of the observer(s) who do not have voting rights; all members (permanent and non-permanent) have a voting right. The Chair is to receive a tie break power on all SRF Board votes required to adopt decisions, including those pertaining to Conflict of Interest and the selection of the Chair, to overcome potential deadlocks.
25. All decisions require a minimum presence quorum. A simple majority (at least half of members with voting rights) constitutes a quorum with at least representativity of key stakeholders: NGO, donor, observer. "Majority" will be used as the voting requirement which means more than half of the votes cast. Adoption of major documents (programme strategy, SRF Charter, manual of operations etc.) will require a minimum presence quorum of 2/3 of members with voting rights, and representativity of each type of stakeholders: NGO, donor, observer.
26. In case a member wishes to resign or has been removed from his role on the SRF Board, the vacant position will be offered to the next best application defined during the selection process.

## 5.2. Evaluation committee

27. The role and responsibilities of the Project Evaluation Committee are to evaluate each application and to provide evaluations and recommendations according to an evaluation grid proposed by the FMU and approved by the Evaluation Committee. The evaluation committee will evaluate project proposals and submit evaluations with marks, a narrative for each mark and an overall recommendation for review, discussion, and decision-making of the SRF Board.
28. The SRF Board assess the transparency and fairness of the eligibility and selection process for the pre-selection of concept notes and selection of proposals. The validation of the pre-selected concept notes and proposals is done by the SRF Board based on an anonymous process to prevent any conflict of interests. The FMU will then lift anonymity so that the SRF Board can review, discuss and validate the recommendations of the Evaluation Committee to ensure the maximum technical and geographical complementarity of selected proposals. The SRF board will have the opportunity to discuss to reach the maximum consensus on decision related to technical and geographical complementarity of the selected proposals. In case, the board cannot reach a decision, only the members without a conflict of interest will be allowed to vote.
29. According to the thematic tackled in the proposals, the FMU will set up for each funding window an evaluation committee composed of relevant experts such as:
  - FCDO advisors (or from new donors)
  - DRC regional program coordinators according to the expertise available (protection, economic recovery, conflict sensitivity, access/security)
  - External consultants for expertise that are not available within DRC and FCDO identified through an open bidding process or nomination process for experts from other partners.
30. The FMU MEAL Manager chairs the Project Evaluation Committee, compile the recommendations and feedback to be presented to the SRF Board.
31. The selection of its members is discussed and endorsed by the SRF Board based on recommendations from the Fund Manager who will shortlist candidates based on a transparent selection process.

### 5.3. The Grievance Committee

32. The Grievance Committee (GC) is a permanent mechanism which shall decide on what action is to be taken with reports of grievances, complaints, concerns and potential conflicts of interest related to the functioning of the SRF and its integrity
33. The GC is composed of Permanent members and non-permanent members. The permanent members are the Chair and the Vice Chair of the Grievance Committee. The non-permanent members are the technical experts from organisations members of the SRF Board (not receiving funds from the SRF) and Third-party experts on leading high-level and sensitive investigations. It is fully independent from the SRF Board
34. The Grievance Committee receives the complaints through the [grievance@sahelregionalfund.org](mailto:grievance@sahelregionalfund.org) address and registers the information in its own dedicated and secured database. Anyone can submit a complaint or report a suspicion to this email address. The Grievance Committee meets at the request of its Chair, as soon as practicable, every time a new case is registered.
35. The organisation subject of the complaint will be immediately informed that a case related to the organisation or its staff has been opened by the Grievance Committee. In case of overlap with Code of Conduct reporting mechanism, such mechanism will supersede but the SRF maintain a right to externalise full administrative investigations when deemed necessary.
36. Depending on initial findings, the Grievance Committee has the power to launch a full-fledged investigation into the case under scrutiny. Investigation on grievance allegations will be performed by the Committee non-permanent members under the guidance and supervision of the Committee secretariat. The Grievance Committee reviews, assesses, and monitors at a minimum on monthly basis for active cases. The grievance committee will review processes by scrutinising all documents it may require to perform its function.
37. The Grievance Committee decides on action to be taken by simple majority of its full membership. In urgent matters the Chair (FCDO) may make a preliminary decision. Such a decision, which remains an exception to the rule, shall be recorded and be reported to the plenary of the Grievance Committee, which may review and overrule the preliminary decision. The Committee's decisions and cases must be documented by its secretariat in a dedicated and secured tracking tool.
38. The Grievance Committee submits its findings, including conclusion and recommendations, to the SRF Board. The Grievance committee ensures its recommendations are legally compliant with the country law where the incident take place. In such cases, the Grievance committee can consult the DRC Human resource department for advice (while ensuring confidentiality is maintained). All cases will be presented while meeting confidentiality standards. All SEAH risks/cases will be presented in line with best practices regarding protection of the victims / survivors (survivor-centred approach).

### 5.4. The Fund Management Unit

39. DRC is hosting the Fund, and as such, has set up the Fund Management Unit and ensure it is fulfilling its mandate.
40. The Fund Management Unit is responsible for:
  - Developing SRF strategy, the frameworks and calls for proposals
  - Administrative screening of concept notes and proposals regarding the eligibility criteria
  - Independent evaluation of projects proposed to SRF
  - Vetting and due diligence of consortia (The FMU will check the due diligence process organised by the lead partner within its consortium during the lead consortium due diligence)
  - Oversight of financial management, including approval of payment requests
  - Monitoring and evaluation of funded project
  - Risk monitoring and escalation of risks to the SRF Board

- Communication and advocacy initiatives
- Context analysis on emerging crisis and key trends
- Resource mobilisation

## 6. Partner selection

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### 6.1. Objectives and eligibility

41. The SRF intends to finance three regional consortia composed of leading INGOs and local partners able to scale up their operations and offering substantial and relevant technical and geographical complementarities.
42. The SRF also intends to finance operational research and NGO coordination mechanisms through a Catalytic Envelope.
43. All INGO members of the SRF Board are eligible for funding, apart from the SRF host for conflict-of-interest issues.
44. All NGOs, including SRF Board members, can only apply to one consortium.

### 6.2. Selection process

45. A call for consortia projects and one for operational research will be published widely through NGO forums or other specialised platforms. The calls will be open for four weeks for potential candidates to design their concept notes. The call for applications will detail the timeline, the requirements and the templates to be used by the applicants.
46. According to the thematic tackled in the proposals, the FMU will set up for each funding window an evaluation committee composed of relevant experts. The FMU will also proceed to the administrative screening of the concept notes and prepare a list of the accepted concept notes. The concept notes which have been rejected will also be listed with a detail of the administrative nonconformities.
47. The composition of the evaluation committee and the administrative screening of the concept notes will be validated by the SRF board.
48. The concept notes will be reviewed and rated by the evaluation committee according to a scoring board and the chair of the evaluation committee will be responsible to prepare a summary report. This report will include:
  - The list of the concept notes organised by their scoring result
  - A narrative on the evaluation process, including dissident's views from the Evaluation committee.
  - Technical recommendations for areas of improvement of the proposal package (if necessary).
49. The report from the evaluation committee will be sent the SRF Board that will review the evaluation process. This report should be adopted by two thirds of the voting members. If the SRF Board should decide to vote against the evaluation committee's report, this decision should detail the improvement required in the evaluation process so the evaluation committee can adjust its analysis and methodology.
50. Candidates whose concept notes are selected by the SRF Board will develop full proposals within 4 weeks of receiving written confirmation of their selection. The results of this selection will also be shared with the other candidates.



51. The evaluation committee will also be reviewing and rating the full proposal and the SRF Board will validate the final decision regarding the selection following the same process described for the concept notes selection.
52. The FMU reserve the possibility to keep some pre-selected proposals on standby in case additional funding opportunities arise in the future to limit the number of calls for concept notes/proposals.

### 6.3. Due diligence and contracting

53. Upon selection of each lead Partner, the FMU will undertake a due diligence assessment of the lead Partner, requiring their cooperation. The assessment will review the partner's systems, policies and procedures to ensure compliance with DRC standards as stated in the Grant Agreement and this operations manual.
54. The FMU will apply DRC's Partner Vetting tool and the Partner capacity tool. These tools will assess Partner capabilities and capacity in human resources and HR management, duty of care, segregation of duties, check and balance mechanisms, procurement, countering aid diversion, financial management and stability, financial control framework and fiduciary risk management systems, administration system, safety measures, Code of Conduct, safeguarding, etc.
55. The assessment will also review the prospective lead Partner's capacity to lead a consortium and ensure compliance with SRF rules and regulations by all Downstream Partners.
56. The FMU will assign a pass or fail to the prospective lead Partner based on the completed due diligence and vetting processes. Prospective lead Partners who pass the assessments will be issued a Grant Agreement and will have the opportunity to use their own internal guidelines except for the specific requirements mentioned in this Manual. Where a prospective lead Partner fails the assessment, the FMU may require the Partner to agree to employ DRC policies for itself and its Downstream Partners.
57. Consortium lead agencies will bear full financial and programmatic responsibility for the consortium they are leading, including for their downstream partners. The lead Partner will be responsible for undertaking suitable due diligence assessments of its own Downstream Partners. This assessment should be completed before submitting the consortium application along with a capacity building plan to ensure areas of improvements are identified and adequate mitigation measures are put in place. If the lead partner experiences difficulties to finalize the downstream partners' Due diligence before the application deadline, it should contact the FMU to find a suitable solution. In any case, all the Due diligence process should have been initiated and have provided enough information to set up at least a draft of capacity building plan and should be finalised before any contracting.
58. Partners will have the opportunity to request to the FMU the Grant agreement template for their downstream partners or to use their own documentation. However, all subgrant agreements shall be reviewed by the FMU before being signed.

## 7. Monitoring and learning

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59. All aspects of processes and tools related to the SRF MEAL approaches are defined in the MEAL framework document.
60. Each partner is requested to provide a substantial MEAL budget (recommended 2 to 5% of the total budget) to support adequate staffing and activities. The SRF will focus on a high-quality MEAL follow up which guarantee good quality programming.

61. For each partner, the FMU will conduct monitoring visits and activities, combining programme and financial monitoring, to support corrective actions/programme adaptations and to reduce the number of red flags and potential conflicts of interest.
62. Visits to the field will be done only with the due approval of the Safety & Security Departments of the partner. In case the visit on site is challenging, a joint meeting will be organized between the partner and the FMU. According to the type of contextual challenge, several options will be discussed such as the postponement of the visit or virtual meetings and interviews.

## 8. Grant Management

### 8.1. Quarterly and annual programmatic reporting

63. Each partner is required to submit reports (Quarterly, intermediate and annual) using the template found in **annex 2**. This report should be accompanied by the financial report. Reporting timeframe is detailed in the MEAL Framework.
64. If any modifications have occurred during a quarter, an update on the delivery chain map document should also be included in the quarterly narrative report (**annex 1**).

### 8.2. No-cost extensions, budget modifications and project changes

65. Changes in a project may be required due to various reasons and may have different consequences to the project's scope, duration and budget. Variations of all forms must be brought to the fund manager's attention. The fund manager in consultation with Fund Management Unit will assess whether the proposed changes need formal written authorization, whether an amendment to the initial grant agreement is necessary or whether the breath of the proposed changes is such that the project needs to be terminated.
66. No-Cost Extension (NCE) requests will be considered on a case-by-case basis, depending on the reasons justifying the request and evidence of progress collected through narrative and financial reports (i.e progress/interim), or through field monitoring visits and financial spot checks. Project Revision Requests should be submitted at least four weeks prior to the end of the project. Later submissions will not be considered.

## 9. Risk Management

67. All aspects of process and tool related the risk management is defined in the Risk Management framework document.
68. Along with the project proposal, applicants shall submit a completed risk register that identifies risks associated with their proposed project, assesses their likelihood, and evaluates mitigation options and residual risk levels. The DRC Risk Register template shall be used to facilitate collation of risk across the SRF by the FMU (**annex 04**). The partner will be responsible for submitting an up-to-date Risk Register as an annex to each Quarterly (in case of any changes) or Annual report.

## 10. Audit

69. Each project funded by the SRF must be audited annually and a final audit must be conducted at the end of the project. The annual financial audit must be done by an external certified auditor and should be finalized not later than 3 months after the end of the 12 months period. The final audit should be finalized no later than 3 months after the official end of the contract and cover the entire length of the project.

70. The FMU will organise the terms of reference, the selection and the contracting of the organisation responsible to audit the entire SRF project. The FMU will make sure to share the audit planning with the SRF partners.
71. In case an additional audit will be carried out by the Donor, the Donor's Anti-Fraud Office, the Donor's auditors and/or any external auditor authorised by the FMU, the costs of this audit will be transferred to the partner in case the audit should reveal any misconduct or misappropriation.
72. The financial audits can be done mainly at distance (by using scans), but physical visits will be requested, at least in the main Offices of the partners/ grantees. Visits to the field will be done only with the due approval of the Safety & Security Departments of the consortium partners. In case the visit on site is challenging, a joint meeting will be organized between the partner, the audit firm and the FMU. According to the type of contextual challenge, several options will be discussed such as the postponement of the visit, virtual meetings, further digital scan of documents, ...The selected option will be documented through an official document signed by all parties to present to the SRF Board.
73. Each annual audit and final report will be formally shared by the FMU to the SRF Board and the donor

## 11. Financial Management

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### 11.1. Eligible expenses

74. The funding amount is to be used solely for costs included as part of the budget agreed with the FMU for the delivery of the outputs and outcomes set out in the SRF. Expenses can only occur during the Project period stipulated within the Grant Agreement. It means that the payment and/or the period of service mentioned in a service contract should be incurred before the Project End Date, as defined in the partners' Agreement. The following costs are explicitly ineligible across all budget categories:
- Activities which may lead to civil unrest
  - Activities which discriminate against any group on the basis of age, gender reassignment, disability, race, colour, ethnicity, sex and sexual orientation, pregnancy and maternity, religion or belief
  - Gifts
  - Statutory fines, criminal fines, penalties and associated legal costs
  - Payments for works or activities that are fully funded by other sources whether in cash or in kind, for example if premises are provided free of charge, FCDO will not contribute to a notional rent
  - Activities in breach of EU legislation on State Aid
  - Bad debts to related parties
  - Payments for unfair dismissal and associated legal costs
  - Replacement or refund of any funds lost to fraud, corruption, bribery, theft, terrorist financing or other misuse of funds
  - Inflation or foreign exchange contingency
  - Contingency or risk premium
  - Costs incurred prior to a formal agreement being executed including those associated with preparing bid or grant proposals
75. All expenditures should be documented with a valid invoice and proof of payment clearly labelled with:
- Date of purchase
  - Name, stamp and contact of suppliers
  - Clear denomination of expenses with unit and global price (with currency)
76. Payment vouchers will be made available with all related documentation of expenses in accordance with approved procurement guidelines upon request of the Fund Management Unit. Original documents will be

retained by the SRF partners and should be archived in full for audit and spot-check for no less than five (5) years.

77. The project activity category will gather all expenses directly related to the implementation of the activities and the visibility items. For the other categories, here are a few guidelines:

<b>Capital expenditure</b>	Budget guidance	Capital expenditure includes specialist equipment, office furniture and equipment, standard and off-road motor vehicles and any other project related equipment. Any aspect of capital expenditure included must be fully justified as contributing to the sustainable outcome of the project. Depreciation is not an allowable expense for direct capital expenditure. Where existing vehicles and capital items can be used to implement SRF activities, we accept a running and maintenance cost for the use of these to be included in the budget
	Required documentation	For use of own vehicle and when shared with multiple projects, cost of gas will be accepted upon gas invoice and logbook of vehicle including proof of movement specific to the SRF project.
<b>Staff Costs (including taxes and benefits)</b>	Budget guidance	This category includes individuals working under an employment contract, a direct contract (consultant), sub-contractors and secondees. Each staff member listed should be assigned a job family from the following list: <ul style="list-style-type: none"> <li>- Programme leadership</li> <li>- Programme management</li> <li>- Technical advisor</li> <li>- Programme support and administration</li> </ul> Budgeted amounts should cover the cost of salary remuneration and benefits including superannuation (pension) and taxes. If the cost is that of a sub-contractor, a daily fee rate should be indicated which will cover the total invoiced cost chargeable to the project. List each salaried core staff member on a separate line. If part of the global remuneration, all other staff costs must be explicitly explained including, but not limited to, clothing, passports, visas and vaccinations, non-salary remuneration and benefits, such as allowances (Cost of Living Allowance, hardship, relocation/shipping, rental subsidy, education grant) and expenses of whatsoever nature that may be incurred by the potential supplier in relation to programme staff. We will not cover any repatriation or termination costs except where termination costs are a statutory requirement in the operating country. Staff training should be listed as a separate direct cost under staff costs. Training, conferences and workshops relate to staff learning and development including hire of venues are eligible costs, however these should be detailed under project costs.
	Required documentation	Signed contract, Job description and organigram (once). All non-salary remuneration should be backed with official internal documentation. Payslip and proof of transfer every month with timesheet only for employees not working 100% on the project. For income tax and other legal obligation, the proof of transfer and details of the calculation is required. Training cost should be justified by an invoice and proof of attendance
<b>Travel, subsistence and accommodation</b>	Budget guidance	For travel undertaken by all staff, sub-contractors and consultants in relation to business, including air, rail, car hire and purchase and other travel costs, hotel and accommodation costs, subsistence, travel management fees, travel documentation costs. The budget detail should provide sufficient detail of the nature of the travel and the departure and arrival locations. Travel, subsistence and accommodation costs associated with monitoring and evaluation, if applicable and appropriate, should be included within the budget under monitoring and evaluation. All journeys by rail or air will be budgeted by a class of travel that is no more than "standard economy" unless higher travel classes are representative of improved value for money or are required to adhere to specific legislation, for example the Equality Act 2010. No travel should be booked in a class higher than "standard economy" without written permission. First class travel will not be permitted under any circumstances. Alcohol and tobacco are not allowable subsistence items. This guidance applies throughout the programme delivery chain.
	Required documentation	All travels expenditure will need to be justified by Terms of reference duly validated and explaining the reason for the movement. Per diem guidelines should be shared

<b>Monitoring and evaluation costs</b>	Budget guidance	Provision for baseline, on-going data collection, independent mid-term review of the project,... There is no specific ceiling for monitoring and evaluation costs; however, an assessment will be made as to whether the costs indicated are appropriate for the proposed project. The 'financial narrative' within the budget should explain what is covered; for example, visits by the UK office of the organisation, an independent evaluation by consultants, and costs should clearly link to the monitoring and evaluation plan as set out in the narrative proposal. Travel, subsistence, and accommodation costs, if applicable and appropriate, should be included within the budget under monitoring and evaluation and details listing trips, title of traveller, dates and value should be detailed.
	Required documentation	All travels expenditure will need to be justified by Terms of reference duly validated and explaining the reason for the movement. Per diem guidelines should be shared
<b>Regional, Country or local office Costs</b>	Budget guidance	A proportion of regional, country or local office costs are eligible to be included as direct costs, where the office is directly involved in project delivery. Any resources for the sole use of the funded project can be costed in their entirety against direct costs. If offices are split between several different projects, the costs should also be split by the same proportion. For example, if the SRF-funded grant represents 20% of the project spend in that office, then 20% of the costs should be included in the direct costs. Ineligible costs (such as fundraising) should be deducted from the total. Any apportionment model should be agreed with the FMU and evidence should be retained that can be viewed if needed.
	Required documentation	Country office costs that are shared with several projects should be backed with the proper invoices as well as key documentation explaining the split between these projects.
<b>Overhead Cost</b>	Budget guidance	Overhead cost should not exceed 7% of the total direct costs. Each partner should be receiving the full 7% overheads calculated on their part of the budget. Consortium leads should not apply overheads on pass-through funding
	Required documentation	The overhead costs will not require any documentation for all organisation that go through an annual organisation audit.

78. The FMU will not be responsible for any ineligible expenditure incurred by the Lead partners and/or the implementing partners. These expenses will be deducted from the quarterly requests for funds and must be paid from the partner's own source of revenues.
79. If additional expenses should be considered ineligible during the external audit or a specific investigation, FMU will reserve the right to review its assessment of previously validated quarterly reports. In this case, the FMU will either subtract the ineligible funds from the next payment request or ask the partner for a direct reimbursement. The lead partners should work on the same basis with the implementing partners within the consortium.

## 11.2. Currency and exchange rates

80. Payments will be made to the Grantee in GBP pound sterling. All reporting and budgets must likewise be provided in GBP pound sterling.
81. For costs and expenses incurred in other currencies, Partners must follow the daily exchange rates issued from OANDA (<https://www.oanda.com/fx-for-business/historical-rates>) on the date on which the purchase has been registered or booked in the system unless, by exception, explicitly approved in writing in advance.
82. The Partner is responsible for monitoring and managing any exchange rate fluctuations across the life of the project. Where significant exchange rate gains or losses are being accumulated, the Partner, the FMU, the SRF Board and the donor will jointly decide how these are managed.

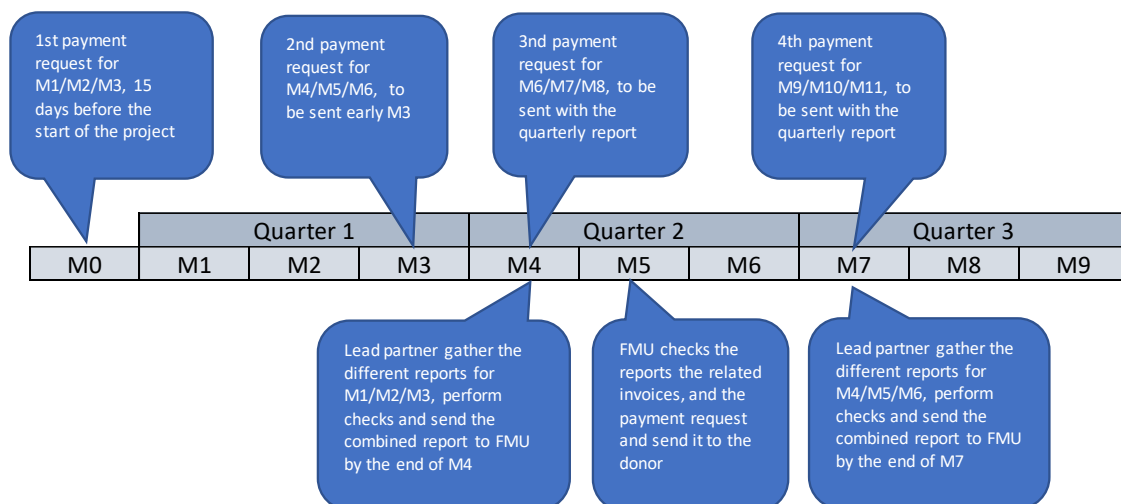
### 11.3. Bank accounts

83. The Fund Management unit will receive the funds from the donors in its bank account in GBP located at its Headquarter which will be used for the management of the SRF funds. This GBP account will also be used to transfer the relevant funds to the different partners. Each member of the SRF Board will have the right to request bank statements to check the financial situation of the SRF.
84. If a grantee/ partner does not wish to open a specific bank account dedicated to the SRF, it should be able to prove a strong and transparent system of tracking the SRF funds with official banking documentation.
85. The FMU could refuse to transfer funds in a banking establishment that do not provide sufficient financial security or apply unacceptable transfer or management rates.
86. During the annual financial audit, each grantee/ partner can be requested to present its bank statements to demonstrate the good receipt of the funds related to the project funded by the SRF, and also to prove the reality of some expenses related to the implementation of the project funded by the SRF. The fact that the bank account is pooled and/or used for other projects or activities should not be, in any way, a valid reason for refusing to provide/ show copies of bank statements and transcripts.

### 11.4. Financial reporting

87. Financial reporting will be done in English, using the GBP currency and according to the *financial tool kit (annex 5)*. It will include a financial report with forecast that will need to be reviewed every quarter. The expenditures included in the budget follow up will be directly linked to an extract of the partner ledger specific to the SRF project. All expenditures should have a unique reference mentioned both on the ledger and the voucher documents for easy checking.
88. On a quarterly basis, the FMU will provide a financial report covering FMU fees and expenses and will receive the reimbursement of funds after the validation of its quarterly report.
89. Each Consortium Lead Partner will need to submit a quarterly report every three (3) months to the FMU 40 days after the following month. It is their responsibility to obtain all the required information (quarterly report and related documentation) from the implementation partners in due time to be able to check, aggregate and challenge it if necessary. The quarterly report will have a narrative part and a financial part which will each consolidate the achievements and financial data for each partner within the Consortium. The recipient of the Catalytic envelope and operational research will follow the same reporting requirements as the Consortium Lead partners
90. Without the two quarterly reports (Programmatic & Financial), the reporting cannot be considered as being comprehensive and compliant. The information indicated in both reports should match perfectly.
91. The FMU Finance Team has the responsibility of checking and reviewing the Quarterly Reports being submitted within maximum fifteen (15) calendar days. They will work closely with their FMU colleagues, to have a programmatic context of the expenses. The FMU has the duty to review each report in a comprehensive way.
92. Spot-checks will be carried out by the FMU on a sample of transactions at the discretion of the FMU. The FMU reserves the right to claim the supporting documents on this sample to the lead partners which should not exceed 10% of the total quarterly transactions. The lead partners should send these supporting documents within 3 days of the request to allow the FMU to undertake a verification before validating the financial reports and send it to the donor.

93. In case the FMU has any concern regarding the eligibility, or the validity of the documents requested through the sample, additional documents will be requested on a new set of samples until the FMU is reassured that the partner’s documentation is compliant to both the partner’s vetted procedures and the guidelines set in this Operations manual. The FMU will remove from the report all the expenses for which the proper documentation has not been sent in due time or for which discussion regarding its eligibility is still ongoing by the time of the donor reporting deadline.
94. In case the quarterly report burn rate is low or key activities have not been implemented, the FMU head of finance will triangulate with the narrative report in discussion with the Funds Manager. In case a clear explanation and transparent agenda to fix the issue cannot be found, the FMU will engage directly with the lead partner and will eventually bring the topic to the SRF Board.
95. The FMU Finance Team will essentially communicate with the Finance Team of the Lead Consortium. However, the FMU Finance Team could reach out directly to downstream partners as long as it has been previously agreed with the lead partner, which will be part of all exchanges.
96. A financial summary of the entire grant will be presented to each SRF Board meeting which will include key financial data and ratios to give a comprehensive overview of the financial position. However, all financial reports will be available on request for consultation or formal presentation.
97. The final report, for a Consortium, should be submitted to the SRF Board and its Finance Team in the following ninety days after the end of the project (based on the ending date agreed in the Grant Agreement/ Memorandum of Understanding). The submission in time and with all the requested documents is the responsibility of the Consortium Lead Partner.
98. Each project funded by the SRF has a liquidation period of ninety (90) days, following the end of the project (based on the ending date agreed in the Grant Agreement/ Memorandum of Understanding)
99. Implementing partners are authorized to make budget variations not exceeding ten (10) per cent on budget categories of the approved project budget. Any variations exceeding 10 per cent on any one budget category shall be subject to prior consultations with FMU and approval by the donor.



### 11.5. Partner’s payment request

100. The SRF is working on a reimbursement basis, so expenses will be refunded to the implementing partners once the quarterly report has been submitted and validated with a proper partner payment request form

and an updated forecast. However, implementing partners can request to put in place a working advance system to the FMU, justifying the request through an official letter.

101. If an advance system has been approved for one or several partners, the first instalment transferred to the Consortium Lead partner should represent three (3) months of planned expenses for the Consortium costs. This transfer will only be possible if the partner has filled the partner payment request (included in **annex 5**) form with a forecast and communicated all the necessary information regarding its bank account.
102. During the third month of implementation, the Consortium Lead Partner can submit to the FMU a new payment request form of three (3) months along with a revised forecast to be able to continue its activities up to the validation of the first quarterly report.
103. The following payment requests will always be accompanied by the quarterly report, an updated forecast and be of a 3-months period. The Consortium lead will have the responsibility to ensure the aggregated payment request are sent with the quarterly reports.
104. To avoid liquidities retention, the balance from the previous advance received will always be deducted on the partner payment request. Any expenses still in dispute at the submission deadline will be removed from the partner's quarterly report and thus, from the balance as well. A template for the partner payment request will be provided to the implementing partners and another one aggregating the implementing partners payment request will be provided to the Leading partners.
105. The Consortium Lead Partner is responsible for transferring the necessary amounts of money to each grantee/ partner within its consortium, based on the approved budget and on the submission of a payment request form.
106. In case of any delay in the submission of a payment request form, the Consortium Lead Partner will be fully responsible for any issue in terms of liquidity. It cannot be expected, in any way, that the SRF will start advancing funds to solve a potential liquidity crisis without a due check being done of the Request for Fund, with the attached quarterly reports.
107. In case of underspending for the quarter being considered, the amount of underspending will be deducted from the next instalment. However, in case the burn rate is lower than 50% for 2 reports in a row, the FMU Finance Team will have the right to demand, to the Consortium Lead Partner, additional information about the spending plan, which could include the sharing of a Budget Follow-Up and a Procurement Plan and a Procurement-Tracker. These documents, if requested, should be submitted formally.

## 12. Logistic management

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### 12.1. Procurement

108. All purchases should be conducted in a transparent, fair, and open process to ensure all economic actors are treated equally. Staff must declare any conflicts of interest, or offers of gifts, advantages or hospitality to his supervisor, as soon as they arise. Any conflict of interest should be treated immediately to avoid compromising the impartiality of the selection.
109. Lead partners will be allowed to use their own procurement guidelines if it has been approved during the vetting process.



110. Partners will be requested to share their procurement plan at the start of the project with the FMU. Records of all procurement activity including but not restricted to, costs, volumes, suppliers, value for money, savings and efficiencies must be kept by the Partner for a minimum of five years from the Project End Date and made available to auditors and the FMU upon request.
111. Travel expenses should be justified by a Term of References signed by the traveller's supervisor. It should explain the objectives of the mission and the expected outputs from it.

## 12.2. Asset management

112. Equipment and supplies purchased in part or fully from SRF funds are considered as project assets if they have a useful life of more than one year; and either (1) the purchase price or development cost of an individual asset is in excess of £500 or equivalent in local currency; or (2) is a group of lower value items that are mobile and considered attractive (e.g. mobile phones, cameras, laptops, tablets, satellite phones, vehicles, food, pharmaceutical products, relief packs, etc.) with a combined purchase price or development cost in excess of £500 or equivalent in local currency. Food and pharmaceutical products, which are usually considered as consumable, should only be included in the asset list if these items are not distributed by the end of the project.
113. The Partner will establish and maintain an inventory of all such assets and will ensure that a physical check of all assets takes place on at least an annual basis. The partner should use the inventory template provided in **annex 3** which will be shared with the FMU with every annual report and be reviewed during the annual audits.
114. The partner is responsible for the appropriate use of any asset purchased with SRF funds. The donor will retain ownership of all assets unless a specific written decision regarding the transfer of ownership has been granted. Partners should address the asset final allocation proposition to the FMU at least 3 months before the end of their GA. The FMU will aggregate all similar requests from the consortia consult the respective donor and give written feedback before the end of the project to the partners.
115. Consortia leaders are responsible to check their partners asset inventory and will transfer each of them to the FMU.
116. Assets lost, stolen or damaged, must be registered in an official write off document and approved by the director's partner. The partner will also need to check if this asset situation falls under the duty to report for aid diversion. The write off document should cover:
- A short summary of the case and why the need for a write-off has arisen e.g., equipment damaged, lost or stolen
  - The amount to be written off - includes the replacement value of any equipment.
  - Attempts made at recovery and outcomes (e.g. police reports)
  - Actions taken or planned to prevent reoccurrence.
  - Transaction details e.g. the component, budget centre and account code.

## 13. Annex

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- Annex 1. Delivery Chain Map
- Annex 2. Template Quarterly and annual programmatic reporting
- Annex 3. Asset management
- Annex 4. Risk Register Template
- Annex 5. Financial tool Kit
- Annex 6. MEAL Framework

Annex 7. Global Indicators Reference

## 14. List of Acronyms

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DRC: Danish Refugee Council

EU: European Union

EUR: Euro currency

FCDO: Foreign, Commonwealth & Development Office

FMU: Fund Management Unit

GBP: British pound currency

GC: Grievance Committee

MEAL: Monitoring, Evaluation, Accountability and Learning

MOU: Memorandum of understanding

SRF: Sahel Regional Fund

TPM: Third-party monitoring

XOF: West Africa currency