



**GRANTEE STANDARD OPERATING  
OPERATING PROCEDURE (SOP) FOR  
CENTERS FOR DISEASE CONTROL AND  
PREVENTION (CDC) GRANT  
MANAGEMENT**

**MAY 2018**

## **ACCRONYMS**

AIDS	Acquired Immune Deficiency Syndrome
ATF	Accounting Treasury and Financial Rules and Instructions
BO	Business Official
CDC	Centers for Disease Control and Prevention
CoAg	Cooperative Agreement
DG	Director General
GHS	Ghana Health Service
GIC	Grant Implementation Coordinator
GMU	Grant Management Unit
MOH	Ministry of Health
NACP	National AIDS/STI Control Programme
PA	Project Accountant
PHD	Public Health Division
PI	Principal Investigator
PMS	Payment Management System
PV	Payment Voucher
SOP	Standard Operating Procedure
STI	Sexually Transmitted Infections
USA	United States of America

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## **1.0 PREAMBLE**

This document (SOP) is aimed at facilitating the effective management of the Cooperative Agreement (CoAg) between the Centers for Disease Control and Prevention of the United States of America under which the Department of Health and Human Services (hereinafter called CDC-USA or the partner) directly awards this grant, and the Ghana Health Service (hereinafter called the GHS or the grantee) under which the National AIDS/STI Control Programme (NACP), a disease programme under the Disease Control Department of the Public Health Division (PHD) of the GHS directly implements the activities of the CoAg.

## **2.0 OBJECTIVE**

The SOP is designed to enhance the fiduciary responsibilities of the grantee by providing basic guidelines narrowed to the grant. It would remove bottlenecks by providing tailored solutions to the grant specific implementation challenges and enhance accountability and transparency by giving clarity on pertinent grant related fiduciary matters.

Its tailored nature would afford flexibility and speed of reviews to deal with un-envisaged implementation challenges that may come up with current and future CoAgs.

## **3.0 SCOPE**

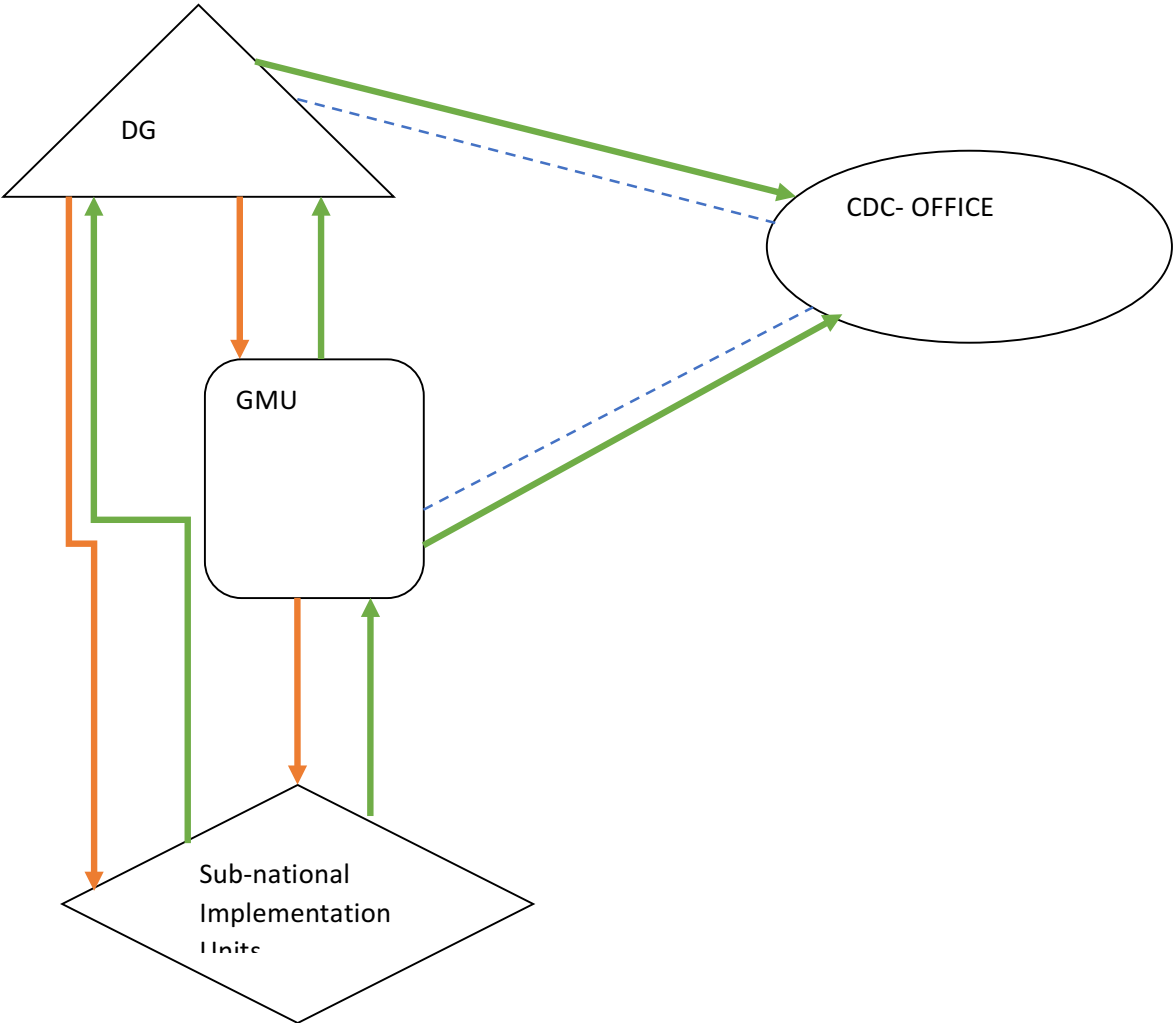
The SOP covers the current CoAg with award grant number NU2GGH002030-01-00 and titled '*Strengthening of Ghana National Health Management Systems in the Areas of Strategic Information Systems and Laboratory Capacity Building under the President's Emergency Plan for AIDS Relief (PEPFAR)*'. The CoAg covers the period April 1<sup>st</sup> 2017 to March 31<sup>st</sup> 2022. The total amount of the Grant for the first year is USD600,000.

**PROCEDURES**

**SECTION A: GOVERNANCE AND GRANT MANAGEMENT**


**A.1. Grant Management and Administration of the Grant**


A.1.1: The organogram of the grant management is as below:



Legend:

Supervision and monitoring relationship 

Reporting relationship (e.g. Activity reports, financial reports, financial statements) 

Communication relationship (communication on implementation issues) 

The Director General(DG) is responsible for the overall management, direction and oversight of the grant. This includes supervising activities and functions, coordinating key grant activities, directing and monitoring of the Grant Management Unit (GMU) and the grant activities as well as engaging the CDC-USA on high level issues including high level CDC-USA required reports on grant finance and activities.

A.1.2. The Grant Management Unit (GMU) is responsible for the implementation of the day-to-day activities of the grant. The Unit is made up primarily of the grant Principal Investigator (PI), the Grant Implementation Coordinator (GIC), the Business Official (BO) and Head of Accounts.

## **A.2. Applying for a New Grant**

A.2.1 Grant making would be a participatory process involving the office of the Director General, GMU and expert stakeholders from the CDC if need be.

A.2.2 The grant proposal for a new grant (grant budgets and all other grant documents) would be initiated by the PI.

A.2.3 The documents would be prepared by the GMU with technical resources from the larger GHS. The documents would then be forwarded to the DG for review and approval.

A.2.4 After approval by the DG, the documents would then be sent to the CDC by the PI on behalf of the DG and the GHS.

A.2.5 Approval and Award of Grant

The CDC vets the documents and subsequently awards the grant if satisfied with the proposal.

## **SECTION B: FINANCIAL MANAGEMENT**

### **B.1 Policy Guidelines**

Financial management would be guided mainly by the core financial management policy guidelines of the Ministry of Health (MoH) and Ghana Health Service. These include the Public Financial Management Act, ACT921 and its regulations and the Accounting Treasury and Financial Rules and Instructions (ATF) of the MoH. Also guiding financial management of the grant is the grant specific financial management requirements of the grant agreement and also those of the grantee.

### **B.2 Budgeting for Grant Funds**

B.2.1 Budgets for grant funds for implementation would be the grant budgets approved by the DG and the partner. Budgets would be the approved grant budgets.

B.2.2 Variations in the budgets would be made in line with the budget guidelines of the partner and grantee.

### **B.3 Draw Down of Funds**

B.3.1 Funds would be drawn down according to the rules of the Payment Management System (PMS) of the partner.

B.3.2 To facilitate the use of the PMS, the grantee, GHS would appoint a Business Official (BO) and make the official known to the CDC-USA as the official PMS contact and user.

B.3.3 The Business Official would be responsible for preparing PMS and Grantsolutions related financial reports and uploading same into the PMS and Grantsolutions platforms per reporting timelines and requirements.

B.3.4 The BO would together with the Project Accountant (PA) prepare annual grant financial statements for grant specific audits.

B.3.6 The Partner would provide adequate training and resources to the GHS for the BO to effectively perform the PMS duties.

B.3.8 The Partner would also update the GMU team on new introductions and changes in the PMS requirements as and when they occur.

B.3.9 The PI would send a request for one quarter to the DG through the Director Public Health, based on the approved work plan and budget of the of the Grant Award.

B.3.10 The PI would send the quarterly request one clear month ahead of when the activities are to be carried out.

B.3.11 The request would be accompanied by a budget status report showing the budget, actual and variance for the relevant preceding period.

B.3.12 The request would also be accompanied by a budget status report showing the cumulative year-to-date budget, actual and variance.

B.3.13 Significant budget variances would have to be explained with proposal request for reprogramming in line with Partner policy.

B.3.14 The DG would examine and approve the request and instruct the Director Finance to release the funds for the activities requested.

B.3.15 Upon receipt of the approved request, the Director Finance would within one working day instruct the Business Official to make a draw down.

B.3.15 The BO would then make the draw down on the same day the instruction from the Director Finance is received.

#### **B.4 Release of Funds for Activities**

B.4.1 The amount drawn down should then be released to the CDC operational account for the conduct of the activities.

B.4.2 When the approved request is received by the Director Finance, the funds should be released to the GMU operational account within ten (10) working days. This includes from the time request is received by the DG for approval.

#### **B.5 Managing Financial Transactions to implement Grant Activities**

The core internal control objectives in managing transactions are to;

- Ensure that day-to-day transactions are duly approved by the PI.
- Grant funds are utilized for only budgeted activities.
- Significant variations from the original budget items are duly approved and authorized.
- Activities implemented are properly accounted for through accurate reporting.
- All grant documents are appropriately secured and can easily be retrieved upon request.



### **B.5.1 Making payments**

B.5.1.a. All grant expenditures should be requested for by the Grant Implementation Coordinator working with the respective officer initiating the request for the activity.

B.5.1.b. The request would indicate the budget line under which the activity is being requested.

B.5.1.c. The request would also state the relevant activity code per the Chart of Accounts of the grant.

B.5.1.d. The request would be made to the PI who would then approve it for payment.

B.5.1.e. The approved request is forwarded to the PA who then authorizes the payment.

B.5.1.f. An accounts officer then prepares a payment voucher (PV) and attaches it to the supporting documents for the payment.

B.5.1.g. The PV is authorized by the PA and approved by the PI.

B.5.1.h. A cheque/bank transfer advice/appropriate payment method document is prepared.

B.5.1.i. The cheque/bank transfer advise/appropriate payment method document is signed by the PA and PI to effect the payment.

B.5.1.j. For payments which are supposed to be made on cash basis, the attached procedure named Appendix 1, and which form part of these SOP, should apply.

### **C. MANAGING GRANT PROCUREMENTS**

C.1 Procurements would be guided by the Public Procurement Laws of Ghana, specifically ACT663 and ACT 914, as well as the procurement policies of the Ghana Health Service.

C.2 A procurement sub-committee at the NACP (GMU) will manage small procurements which are within the shopping threshold of the Law at every time in force.

C.3 In procuring goods and services within the shopping threshold, at least three (3) quotations should be obtained from three different vendors.

C.4 The Procurement Division and the Disease Control Department would provide support to the sub-committee to enable the committee operate in accordance with procurement guidelines.

C.5 The sub-committee then meets to evaluate the quotations and selects the best among them on the basis of price, quality, delivery time, and such other terms as may be relevant to the particular procurement.

C.6 A Purchase order is then prepared to order for the goods/services from the selected vendor.

C.7 Selected vendors should be on the pre-qualified list of vendors of procurement Division of the GHS.

C.8 Payment then is effected according to the terms of the order.

C.9 All procurements outside the shopping threshold should be done through the procurement Division of the GHS and hence the GHS Entity Tender Committee.

#### **D. ACCOUNTING AND REPORTING**

D.1 The cash basis of accounting would be used to record and account for transactions under the grant.

D.2 An accounting software should be used to record and report on all transactions under the grant. The software should be consistent with the corporate software of the Ghana Health Service.

D.3 The BO will design the reporting templates for the financial reports with the exception of the partner specific financial reports which would be provided by the partner.

D.4 The BO will work with the software provider to ensure that as much as practicable the majority of the main reports can be generated by the software.

D.5 Monthly bank reconciliation statements should be prepared (for both the operational and receiving accounts) and the reconciliations statements should be reviewed by the head of finance.

D.6 Monthly grant specific progress update financial reports should be prepared by the PA (7 working days after the reporting month) and reviewed by the BO (10 working days after the reporting month) and submitted to the PI who reviews it and submit to partner by 15<sup>th</sup> of the ensuing month.

D.7 Quarterly financial reports on the operational accounts should be prepared by the PA (7 working days after the reporting month) and reviewed by the BO (10 working days after the reporting month) and submitted to PI by 15<sup>th</sup> of the ensuing month.

D.8 Quarterly financial reports on the grant should be prepared by the BO and submitted to the PI and the Director Finance.

D.9 The BO would prepare the annual financial statements of the grant. The financial statements would be signed by the Director Finance and the Director General.

D.10 The BO would also prepare the routine financial reports in the Payment Management System (PMS) and grant solutions of the partner.

D.11 All the financial reports would be shared with the PI, Director General and Director Finance.

## **E. AUDIT**

E.1 There would be regular post audit of the transactions under the grant in accordance with the audit plan of the Internal Audit Division of the GHS.

E.2 There would be annual audits of the Grant conducted by the Auditor General in accordance with the Audit Service Act, the audit guidelines of the Auditor General and the partner.

E.3 The Director General would be involved in the key phases of the audit especially the entrance meetings and the exit meetings.

## **F. MANAGEMENT OF PHYSICAL ASSETS AND RECORDS**

F.1 All assets would be managed in accordance with the Public Financial Management Law ACT921, 2016.

F.2 An asset register would be kept to track and monitor the movement of assets.

F.3 The asset register would be maintained in accordance with the ATF of the MoH.

F.4 Where necessary, modifications would be made to the asset register to capture information required by the Partner.

F.5 Appropriate backups should be done to secure the financial information on the software.

F.6 All grant documents (including financial records and activity reports) would be properly secured to protect their integrity and in a manner to allow for easy retrieval upon request.

## **G. MANAGEMENT OF ACTIVITIES**

G.1 The PI would ensure that micro plans exist to facilitate the implementation of grant activities. This is critical to assure an excellent burn rate.

G.2 There would be quarterly grant review meetings with the partner to review the progress of implementation of the grant.

G.3 The meetings would be organized by the GMU.

G.4 Critical bottlenecks and enhancers to smooth implementation would be identified and discussed at such meetings.

G.5 Reports of the review meetings would be retained on file and made available upon request.

## **APPENDIX 1: PROTOCOL FOR CASH PAYMENTS AND MANAGEMENT**

### **PREAMBLE**

Cash makes up a very critical component of the resources managed by this grant. Aside the aggregate monetary balances maintained in the bank accounts cash resources may also be managed by way of cash in transit and or on hand meant for the payment for various grant activities.

This protocol is expected to;

1. Strengthen the existing internal controls around cash management of the grant.
2. Deal with risks in managing cash resources
3. Enhance the controls on translations in financial reports
4. Minimize risks associated with making payments in cash
5. Simplify accounting and reporting
6. Enhance the appreciation of assurance providers of the grantee's cash management policies and minimize if not eliminate adverse observations on cash management which arises mainly due the non-documentation of existing conventions.

The protocols deal with cash management in the following areas;

- A. Bank accounts management
- B. Managing Transaction Rates
- C. Rates for reporting on transactions
- D. Payments and
- E. Managing Cash on Hand

#### **A. BANK ACCOUNTS**

The grantee would keep two bank accounts: a foreign currency account denominated in the currency of the Partner and a functional currency account denominated in the dominant operational currency of the grantee.

The foreign currency account would serve as the receiving account into which transfers from the partner would be paid into and temporarily held.

The operational account would be used to conduct the day-to-day transactions required to implement the activities of the grant.

To balance speedy operations and fiduciary responsibilities the foreign account would be managed at the main headquarters while the operational account would be managed at the grant management unit.

#### **B. MANAGING TRANSACTION RATES**

B1. The grantee would keep its monetary aggregates with its bankers in the currency in which the grant funds are received (that is US Dollar) until onward transfer to the operational account.

B.2. The grantee would accept at a minimum the ruling Bank of Ghana exchange rate for the day for all its transactions transfer from the receiving account. As much as practicable the grantee must negotiate for a specific premium on the ruling Bank of Ghana rate for all its transactions.

B.3. The transactional rate must be agreed, communicated and applied by the bank to the transaction. The agreed transaction rate must be communicated from the bank or between the grantee and the bank by email. This is to promote transparency and also provide evidence on the details of how a particular transaction rate was arrived at.

B.4. The transfer rate must be applied to all the transactions relating to the requested activities to which the transfer from the USD account pertains.

#### C. RATES FOR REPORTING ON TRANSACTIONS

C.1. The grantee would report on its transactions in the US Dollar to the partner and translate same into Ghana Cedi for reports submitted to the MoH.

C.2. The cedi transactions within the reporting period would be translated into the reporting currency for reports to the partner.

C.3. Transactions would be translated at the transactional rates applied to the transactions as described under section B.

C.4. Ghana Cedi monetary aggregate balances existing at the end of the reporting period would be translated at the ruling bank of Ghana rate of the reporting currency for the relevant day.

#### D. PAYMENTS

**As a principle the grantee would progressively move towards the use of appropriate electronic payment methods for all payments. However, this would be done in accordance to the pace and stage of development of electronic transactional payments options (Point of Sale) in the country.**

As such the grantee would adopt more appropriate approaches to payments with a view to enhance grant implementation, manage risks in cash management and enhance the control environment.

##### D.1. PAYMENT TO THIRD PARTY VENDORS AND PARTNERS

All payments to third party vendors and partners shall be done through cheques, bank transfers and other payment methods applicable per contract terms.

##### D.2. CASH PAYMENTS

Grant activities such as trainings and workshops, campaigns, monitoring and supervisions and travels usually require the payment of some monies to participants and facilitators.

D.2.1. In all such and similar cases, payments would be effected by cash to the recipients where the total cash involved is less than twenty thousand Ghana Cedis (**GHS20,000**).

D.2.2. Where officers are to embark on a monitoring and supervision visit, the monies to be paid to them for the exercise would be paid to them individually in cash. This is irrespective of the total amount of the cash component of the budget for the exercise for that particular budget line in the total requested budget for the exercise.

D.2.3. Where an activity is held for a day or maximum two days and involves payment to a large number of people and the amount to be paid to each person is less than five hundred Ghana Cedis (GHS500.00) payment should be made in cash to each eligible participant. This is irrespective of the total amount of the cash component of the budget for the activity for that particular budget line in the total requested budget for the exercise.

D.2.4. Irrespective of the activity, duration and number of eligible participants where the amount to be paid to eligible officers is equal to or less than one hundred Ghana Cedis (GHS100.00) payment should be effected in cash to each eligible recipient.

D.2.5. In all cases payments would be managed and made by the finance office.

D.2.6. Given the current risks associated with mobile money payments, all qualifying cash payments via electronic means would be done through the bank accounts of the recipients.

D.2.7. The grantee would in line with government policy direction encourage officers to register to obtain EZWICH cards. This would enhance payments to officers via EZWICH in future.

D.2.8. To forestall anticipated delays to access to cash paid via bank accounts by recipients, the grantee should negotiate with banks to effect payments within a maximum of three (3 days).

D.2.8. In all cases payments made through recipient bank accounts should hit the recipients account within one week after the activity.

D.2.9 SWIFT advice from bank would suffice as evidence of receipt by the beneficiary

D.2.10. The GMU would monitor to ensure that the target in D.2.8 is achieved

## E. MANAGEMENT OF CASH AND CHEQUES ON HAND

E.1. There must be two (2) safes for the grant; one for the head of finance and one for the cashier.

E.2. The head of finance should keep custody of all cheque books, cheques and bulk cash and issue them to the cashier when necessary. In the case of cash cheques, the head of finance would issue them to the cashier when they have to be cashed at the bank

E.3. The bank would call the head of finance to obtain confirmation before the cash is issued to the cashier by the bank.

E.4. For cash cheques, they must be cashed a day before the activity takes place.

E.5. In cases where the activity is to take place in a regional capital the cheques must be cashed in a branch in that regional capital.

E.6. Where the nature of the activity is such that it has many sub-activities then the cheques should be broken down into the sub-activities and in the order of implementation. The balance of any amount on an ongoing activity must be kept in the safe under lock and key by the head of finance.

E.7. The head of accounts shall give the PI, reports on weekly cash balances and cheques in their possession. The report should be in the format in E.10 and E.11 and should be shared with

- a. A copy sent to the Principal Investigator
- b. A copy sent to the Director Finance
- c. A copy kept by the head of finance and the cashier

E.8. The grant business official should follow up on these reports from time to time

E.9. A surprise cash count would be done at random by the BO

E.10. The cash count must be analyzed in the given format below;

Programme Activity	PV No. & Date	Cheque No & Date	Date Cashed	Amount Cashed	Amount Disbursed	Balance on Activity
Activity1						
Activity2						
Total				xxx	xxx	xxx
Physical Cash Count and available in safe						xxx

Any additional Information:

Name and Signature of cashier:

Date:

Name& Signature of Head of Finance:

Date:



E.11. A separate statement by the Head of Accounts on all cash cheques signed but not cashed would also be made and shared with the officers listed in paragraph E.7 a-d. This statement shall be in the following format;

Programme Activity	PV No. & Date	Cheque No & Date	Remarks	Cheque Status			
				Cashed/date cashed	Not Cashed	Fully liquidated	Partially liquidated
Activity1							
Activity2							
Total							

Any additional information

Name and signature

Date