

**Addendum to the Managed Cash Flow - SOPs
Salient decisions by MOH at the MCF-SOP-Review Workshop
17-18th January 2013 at NPT**

The following are the salient decisions taken by MOH during the two days' MCF-SOP review workshop at NPT on 17th and 18th January 2013. With immediate effect these decisions and description of the different modalities supersede the respective stipulations of the reigning SOP, dated December 2011. Please use these below modalities approved by the DOH as an addendum to the SOP.

A. Flexibility to make work plan changes

The following flexibilities to make work plan changes are approved for authorized persons in addition to existing authorized persons of National Programs.

#	Change	Authority	Inform
1	Date change	Regional/State(R/S) Health Director or ROs/TLs are authorized to make date changes within the quarter without further approval from DOA holder above them.	<p>The local FFA should be informed of any such changes 1 week in advance (who will then inform the MCFU-UNOPS) so as to organize her cash and trip plan accordingly. This may result in changing payment modality from DD to reimbursement if the travel schedule does not allow DD on the changed date due to conflicting activities already scheduled for the same day.</p> <p>Any changes should also be informed to central NP - just for information; not for approval.</p>
<p>TMO is not authorized to make date changes but If the TMO wants to change the date, he needs to get the permission from the Regional/State(R/S) Health Director or RO/TLs. Regional/State(R/S) Health Directors or RO/TLs, who authorized the change will then inform the FFA and NP accordingly.</p>			
2	10% flexibility among budgetary items within	Regional/State(R/S) Health Director or	

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#	Change	Authority	Inform
	<p>the total approved budget can be applied. The trigger to use this flexibility is pursuant to contingency at the time of actual implementation and should be avoided as much as possible. A robust and detailed and well thought out and realistically costed quarterly work plan prepared with consultation at the Regional/State (R/S) level can avoid such situations where changes are needed.</p>	<p>ROs/TLs are the only officers authorized to approve such change. Without such authorization excess expenditures are ineligible.</p> <p>A situation may arise at DD that certification by supervisor resource persons/claimants (for TMO, RO, Regional/State (R/S) Health Directors, AD and NPM) is not possible at DD if their supervisors for these officers are not present.</p> <p>FFA to disburse the cash as per valid claim, for the sake of practicality. However, the certification must take place retroactively within 2 weeks by appropriate supervisor to de jure turn this claim into an 'eligible' expenditure. Without such certification within 2 weeks, the claim remains ineligible and must be returned.</p>	
3	<p>A 20% excess expenditure, above the approved Budget can be applied. This should be avoided as much as possible and only as a last resort in case of dire needs arisen. A robust and detailed and well thought out</p>	<p>Regional/State (R/S) Health Director or ROs/TLs are the officers authorized to approve such change. Without such authorization excess expenditures are ineligible.</p>	<p>This may result in changing payment modality from DD to reimbursement if not approved at that time by Regional/State (R/S) Health Director or RO or TL. Time needed at local level is 1 weeks in advance (Any changes should be</p>

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	and realistically costed quarterly work plan prepared with consultation at the Regional/State (R/S) level can avoid such situations where changes are needed.		informed to central NP - just for information; not for approval).
4	Content change, change of activities. Flexibility will be allowed at 20% of the total approved budget and within the different budget lines upon claims submitted to FFA, provided it does not affect the outcome of the activity. For example: Participants at advocacy meetings also receive refreshment and hence, does not match the number of government attendees, deviations in the number attending training from approved budgets, someone flying in from far suddenly. However careful planning and robust, detailed and thought through and well costed work plans should be in place to avoid the need for such changes as much as possible.	Regional/State (R/S) Health Director or ROs/TLs are the officers authorized to approve such change. Without such authorization, excess expenditures are ineligible.	This may result in changing payment modality from DD to reimbursement if not approved at that time by Regional/State (R/S) Health Director or RO or TL. Time needed at local level is 1 weeks in advance (Any changes should be informed to central NP - just for information; not for approval).
5	Situation may arise where the material procured is more than the participants who	Payment will be made for the total once the DOA writes down on the D2 form the	D1 form will have signature of total attendance. D2 form will show the actual number of procurement.

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	actually attended that event	prudent use of extra material.	
6	Labor charges for cleaners and helpers during meetings trainings and seminars etc.	Such costs to be included in the secretarial support budget line as DSA for the menial staff.	Include this in the budgeted work plan.
National Program Manager can approve any level of change with the limitation, that if any change would result in over 10% deviation on the entire SDA or Cost Category for the entire budget for the Quarter, then GF/PR pre-approval is necessary			

B. Change of Delegation of authority (DOA)

1. At the Central level, NPM will designate two Assistant Directors as DOAs who will approve the expenditures in his/her absence.
2. At the Regional/State (R/S) level in case someone has been transferred, the replacement DOA is late or there is no replacement the following line of authority will be followed, If Regional/State (R/S) Health Director is absent → ROs, if ROs is absent → TLs.
3. In case TMO is transferred the Regional/State (R/S) Health Director will designate an acting DOA till the new TMO joins.
4. DOA for Medical Superintendent of Central Level Hospitals will be assigned by National Program. (List of Institutions who's DOA is provided by DOH is attached in Annex 1)

C. Procurement thresholds

MMK shall be used for all procurement thresholds as follows:

1. The first threshold of USD 500 provided in the SOP shall be revised to 500,000 MMK.
2. For the next category of procurement range of USD 501 to 1000 shall be revised as 500,001 MMK to 1,000,000 MMK.
3. For the third and the last category of procurement the range of USD 1,001 to 2,500 shall be revised as 1,000,001 MMK to 2,000,000 MMK.

D. Last minute changes in Work Plan pushed PSM value over 500,000 MMK or 1,000,000 MMK or 2,000,000 MMK and would require changing the procurement solicitation threshold.

A detailed justification with the detailed description of action on the solicitation process needs to be submitted to PR as an exceptional special request who will review and

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approve/disapprove at the earliest. (With accurate Work Planning this should be avoided at all costs)

E. Eligible venue costs

All rental fees paid for venues rented in the public sector, (Excluding MOH administered properties), or any other site whose rent is not contributed through the GF grants, represent eligible costs for Global Fund financing.

This policy is applicable and rental fees are eligible only for venues not owned or administered by MOH at any level as paying rent for property under the administration of MOH remains ineligible for Global Fund financing. MOH is expected to provide any premises under MOH ownership or administration free of charge for the purposes of hosting activities enjoying Global Fund support.

F. Training Participants from Non GF townships

Health staff from Townships not covered by GF can still come out of the Township and fully participate and receive trainings at GF Tsps. and are entitled to DSA and TA as per SOP.

G. Need for Technical report as supporting document of the claim

1. **No separate technical reports are needed** as supporting document except for activities shown in list attached in Annex 2
2. For management information, **a copy of the D1 and D2 forms** that show what activities took place, who participated, where and what was paid substitutes for a technical report and will be submitted to the NPs both at central and REGIONAL/STATE(R/S) level.

H. Miscellaneous budget lines

Miscellaneous cost are those which (1) have incurred **directly in support of the activity in the Work plan**, (2) therefore **proportionate to the activity**, and (3) for some unforeseen reason such needs emerging did not get budgeted. Claims against this line must be accompanied by the same supporting documentation as for any other claim as described in the SOP. It is to be emphasized in the SOP that miscellaneous line is a last resource contingency line for expenditures not foreseen, and by appropriate planning of Work Plans and Budgets should aim to eliminate the need for such costs as much as possible.

I. Transport costs within Townships

1. MMK 6,000 flat rate for staff members travelling within the same town/city
2. MMK 10,000 flat rate for staff members travelling within the same township MMK 30,000 for special areas (Chin, Kachin and Rakhine and Shan and **hard-to-reach/remote area** – such areas are defined by DOH committees in all Regional/State (R/S) constituted for this purpose. Without the written approval of

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DOH submitted to the PR detailing the special areas where these modalities under points 3. and 4. above can be applied, the usual MMK 6,000 flat rate is applied.

3. For some exceptional towns and villages, special consideration or 20% extra or actual will be applied. In that case, the activity will be converted into **Reimbursement** by default.
4. DOH will constitute a committee in all the Regional/State (R/S)s to decide the transportation cost among towns and villages. Without the written approval of DOH submitted to the PR detailing the special areas where these modalities under points 3 and 4 above can be applied, the usual MMK 6,000 flat rate is applied.

J. In case of conflict in payment during DD between FFA and DOA

FFAs are mandated to refuse payments if those claims appear to be disproportionate to the services those were made for. FFAs job is to pay eligible costs only, which are characterized by the following parameters:

1. In the work plan
2. In the budget
3. Submitted as per SOP
4. Reasonably priced
5. True/real

The FFAs are expected to uphold the standards of the SOP on behalf of MOH and thus requested, as all finance officers usually are, to make a judgment if all the 5 criteria have been fulfilled. The FFAs cannot deviate from this standard and therefore should not be put under pressure for any ineligible payments. They will be provided with a help-line to communicate directly with the UNOPS-Yangon management in case they are put under pressure. It is not in the power of any FFA to make concessions, disrespect the letter and spirit of the SOPs and allow any deviation, discrepancy or non-planned or non-authorized/approved costs be paid from the grants. In case the DOA disagrees with the FFA the DOA is encouraged to use the UNOPS help line and call the PR immediately for resolution of the conflict.

K. Fuel costs

1. The custodian of the vehicle is solely responsible to decide over the use of the vehicle.
2. The custodian is responsible to maintain the logbook.
3. Claims for fuel costs to be made by the custodian and are to be certified by supervisors (ROs, Team leaders, Regional/State (R/S) Health Directors, etc.).
4. The vehicle log book has to be maintained by vehicle custodian which is to be signed by the supervisor at the end of each month. Supervisors may examine the logbook at the time of verifying claims for the fuel and checks if the claim is valid

and no double claims are made (fuel and transport costs for the same trip for example).

5. Submission of claims to FFA will be made as per SOP and will include as supporting documentation only the receipts for fuel expenditure.
6. Actual Receipts should be submitted along with the claims - as defined in the SOP for all claims.
7. If actual receipts are not available in certain area, then PV1 forms duly certified by the supervisor is needed.
8. Logbooks and claims will be monitored as usual by PR on a sampling/risk based basis as for any other claim.
9. Officers/Staff can use their own vehicle for GF related activities, then claim for the fuel cost, provided it is clearly spelled out in the detailed work plan, otherwise FFA will only pay the approved TA for that particular trip. In such cases where fuel cost for self-owned vehicle is claimed as per approved work plan, no TA will be paid for the same activity. The officer needs to submit actual fuel vouchers along with their claims. If actual receipts are not available in certain area, then PV1 forms duly certified by the supervisor is needed.

L. Vehicle rental process for trainings, meetings and workshops

Vehicle rental should be included in the detailed quarterly work plan for all the necessary activities. Any deviation from the approved work plan needs special approval from the next level DOA/budget owner. Fuel cost for own vehicle to be included in the detailed work plan. Coordinated work-plan is critical to solve these issues.

M. Travel for submission of reimbursement claims

The reimbursement claims should be submitted as early as possible within the quarter of the completion of activity. The budget for the travel cost of reimbursement claims is put as one lump sum line for each Regional/State (R/S) to cover maximum frequency of such travel. The travel of authorized person for such claims is not limited and can be made to the office of the FFA as per the need.

N. Investigation support cost

1. Investigation support cost can be disbursed at HIV specialist hospitals through direct disbursement on a fixed date every month. (20th of every month). Spot checks to cross reference patient records with the summary claim form may be carried out by FFA at the time of DD. Other activities can also be paid the same day such as PMCT, TCP activities etc.
2. If any tests are needed to be included in the investigation support package, then the list of eligible tests/standard price need to be updated timely and approved by MOH



3. If a necessary test from public sector is not available or the machine is broken or the reagent is out of stock, the services from private sector can be procured following the due procurement process as per SOP.
4. If lab or radiology machines are out of order then all repair services **less than 1,000 USD can be done with only one receipt.**
5. Procurement of services costing above USD 1,000 and below 2,500 needs Procurement Plan at the start of the quarter for the approval of PR.
6. Any procurement above 2,500 USD has to be done by the PR and is subject to the submission of Procurement Request by the National Programme.

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Approved by



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