

Financial , Procurement and Travel Guidelines **PDP, ARP and Fellowships**

The Project will be audited twice during project life-time by an external auditor assigned by ITIDA.

- Upon technical closure of project, Principal Investigator, referred to later in this document as “PI”, is held responsible to present the “Financial Closure “ document signed, stamped and duly completed with all the attachments to ITAC Finance Unit in due time.
- In case of submitting a request for extension of project, PI will be still responsible to submit the “Financial Closure” report, the only difference is that he will keep the inventory at his custody and will sign and stamp the inventory list requested as an attachment to the report.

I. Budget :

- Budget should be presented in Egyptian pounds and broken into milestones, the duration of which not to exceed 4 months (please refer to budget template).
- The budget allocated is NOT Allowed to be spent on :
 - Rental facilities, electrical utilities, internet nor furniture.
- The allocated budget amount will be disbursed according to the project’s milestones. The amount received for each milestone to be settled at the end of each milestone. The next amount will ONLY be disbursed upon settlement of the previous amount received, approval of technical report submitted and receiving a letter from PI requesting issuance of cheque.

II. Salaries :

- A list of job titles, with the corresponding salaries and duration of work, to be presented upon approval of project budget. Upon liquidation, a list of the names of the staff including the amounts they received, their signatures and copies of their IDs are required.
- Salaries of the project team to be disbursed according to the monthly salaries presented in the approved budget annexed to the signed contract. There should be no increases in salaries nor change in team without the prior written approval of ITAC.
- A 10% annual increase in salaries is allowed based upon satisfactory performance. Such increase is part of the total approved budget of the project.

The below-mentioned salaries categories are monthly gross salaries guided by the years of experience:

- **Companies:**
 - Job “A”: up to 15,000 for Top management position (10 or more years of experience).
 - Job”B”: up to 10,000 for Middle management position (7-9 years experience).
 - Job “C”: up to 7,000 for Senior level/ professional position (5-6 years of experience).
 - Job “D”: up to 3,000 for junior level position (3-4 years of experience).
- **Universities/research centers:**
 - Job “A”: up to 15,000 for Professor.
 - Job”B”: up to 10,000 for Assistant Professor.

- Job “C”: up to 7,000 for Lecturer.
- Job “D”: up to 3,000 for Associate Lecturer.
- Job “E”: less than 3,000 for Teaching Assistant.

III. Indirect Cost :

As per ITIDA’s rules and regulations, please note that indirect cost are being paid **only to universities and research centers** in return of services rendered to the project up to a maximum of 20% of the total salaries allocated to university/research center staff.

Upon accepting the project, and submitting the budget for approval, **a stamped letter from the university/research center will be required stating the percentage requested as indirect cost and the allocation of budget items under allowable expenses such as utilities, computers usage and facilities.**

Accordingly, upon liquidation of funds disbursed, a **stamped receipt** from the university should be submitted to ITIDA.

IV. Disbursement of Funds:

- First payment will be effected immediately after signing the contract and upon receiving a written request from the PI.
- Funds to be disbursed ONLY against approved budget items and within the amount allocated for each budget line.
- A 10% increase over the estimated budget line for procurement of each hardware/software listed items of the project is allowed without prior approval from ITIDA. Any amounts spent above the 10% and without taking prior approval from ITIDA will NOT be reimbursed by ITIDA – both the company and the PI will bear the extra amounts spent.

- In case of any changes between the budget lines but within the total approved budget of each milestone, prior written approval from ITAC unit is a must through filling a “Budget Change Request Form”. To be followed by a budget revision reflecting the approved changes. **A maximum number of 2 requests per milestone is allowed in case of change in Budget lines or transfer of funds.**
- Only original stamped invoices/salaries receipts/time sheets approved and signed by the PI are accepted.
- The PI should certify in writing that the amounts spent are in accordance with the project contract , and the approved budget lines for each milestone by signing the actual expenditures and salaries’ totals of each milestone.

V. Procurement:

(1) General

The Procurement function includes all actions necessary for the acquisition of products or services. The following general principles shall be given due considerations in conducting the procurement process:

(2) Requirements Definition

The required product or service should be pre-defined in terms of their technical specifications, quantity, quality and timing of delivery, which properly meet project objectives. Details of these requirements and their estimated cost should be included in the project budget submitted to ITAC for approval.

(3) Qualified Suppliers

The market should be surveyed to identify potential suppliers.
A list of qualified suppliers should be established.

(4) Local Suppliers

Preference must be always given to qualified local Suppliers whose goods or services properly meet the pre-defined requirements.

(5) Best Value for Money

To obtain best value for money, and ensure fairness, integrity and transparency, the procurement process must be based on effective competition among qualified suppliers who meet the requirements.

(6) The Competitive Procurement Process

The competitive process is conducted by obtaining bids from at least three qualified suppliers, and selecting the lowest bid price which meets the pre-determined requirements, in terms of specification, quantity, quality and time of delivery. The method of communicating the requirements of a given procurement to qualified suppliers depends on the estimated monetary value of such procurements, which are classified as Low, Medium or High Value Procurement

(7) Low Value Procurements (under 5,000 EGY):

Select the best quality and the lowest price in the market which meets the pre-determined requirements, in terms of specification, quantity, quality and time of delivery.

(8) Medium Value Procurements (Under 20,000 EGY.)

Send written request for price quotations to at least three qualified suppliers, and select the supplier who meets the requirements at the lowest price.

(9) High Value Procurement (over 20,000 EGY)

Send written requests for sealed bids to at least three qualified supplier indicate a deadline for receiving their sealed bids. Bids

received after the deadline should be disqualified. A procurement committee to be established as per item no. (10).

(10) Procurement Committee

A procurement Committee, chaired by the PI, should open the sealed bids, sign each of them and select the bid that meets the requirements at the lowest price. Committee members should sign the bids received after the deadline indicating that they are disqualified.

(11) Direct (or Non-Competitive) Procurement

Some procurement could be exempted from the competitive process where competitive market does not exist because:

- There is only one local supplier or one local product representative.
- There is only one foreign supplier or one foreign product representative
- The requirements involve propriety (Patented) product or service.
- Prices are fixed by government regulations.
- When offers for identical products and services were previously supplied during the life of the project and the current price is the same as the old one.

In such circumstances, the **PI** has to authorize direct negotiation and procurement through the sole supplier and submit to ITAC unit a letter indicating reason for direct procurement.

VI. Conflict of Interest:

All parties to this contract, including project team members and leaders, must exercise utmost care in conducting their financial and procurement transactions. They must ensure that public funds allocated to their projects are being spent with due regard to economy, efficiency and effectiveness in a transparent environment where there

is no conflict of interests. Therefore, Financial and procurement activities conducted - by project members, advisors and leaders - with other related parties, in terms of business ownership or family ties, constitute a conflict of interest that could result in terminating the contract and taking other necessary legal actions.

VII. Travel Guidelines:

ITIDA covers international, local travel and ONLY actual transportation expenses for one day trip within the country.

(1) International Travel rates

- ITIDA covers 85 % of international travel costs i.e. ticket and per diem.
- Per diem is calculated per night spent in the country of travel, one day before the conference/meeting and one day after, based upon 85% of the rates below-mentioned :
- USA 275 USD
- Arab countries 256 USD
- Europe 200 Euro
- Asia 256 USD

85% is broken down as follows: 45% accommodation, 25% meals and 15% incidentals. In case accommodation documents are not provided, traveler will be entitled only to 40% of the DSA (25% meals and 15% incidentals).

The above rates are being paid in Egyptian pounds at the prevailing rate of exchange during the travel dates and upon submission of all supporting documents.

(2) Supporting documents :

- For conference attendance: conference invitation clearly stating dates of conference.
- For marketing purposes: prior approval from ITIDA on the schedule of travel/travel dates is a MUST.
- Ticket should be bought by the most economical and direct routes – to be presented to ITIDA. ONLY 85% of the cost of the ticket is being reimbursed.
- Copies of entry/exit visa on the passports.
- Hotel invoice

(3) Internal Travel rates:

ITIDA covers internal travel cost within the country and ONLY transportation expenses, upon presenting train/bus ticket/fuel cost invoice in case of usage of personal car , for one day trips.

Perdium to be calculated per night spent in the host governorate based upon a flat rate of LE 300.

(4) Supporting documents:

- For one day trip : train/bus ticket/fuel cost invoice in case of usage of personal car.
- For overnight within Egypt : prior written approval from PI indicating purpose of travel, number of days and allocated budget amount to be submitted to ITIDA upon liquidation of documents.

Failure to submit any of the above documents holds the right for ITIDA to reject reimbursing the travel expenses.

VIII. External Audit :

The Project will be audited twice during life-time of the project by an external auditor to be assigned by ITIDA and will contact the PI. All information revealed to the auditor will be held with strict confidentiality. The review will take place upon disbursement of 50% of the fund allocated and at the closure of the project.

The auditor will review:

- The amount received from ITIDA for the period covered by the audit and the costs reported by the recipient as incurred during that period.
- Check on compliance with agreement terms and applicable laws and regulations.
- Review cost-sharing schedule - inquiries of recipient personnel and analytical procedures applied to financial data supporting the cost-sharing schedule.
- Check on inventory purchased and correct registering of the concerned party at the end of the project.

IX. Project Financial Closure :



Upon technical closure of project, PI is held responsible to present the “Financial Closure “ document signed, stamped and duly completed with all the attachments to ITAC Finance Unit in due time.

The final financial report would cover cash disbursements made on that project since its inception until the date of completion. Please note that, this final financial report will be audited by an independent outside auditor on behalf of our organization. For that reason, all documents supporting this financial report should be kept in good order in your offices until it is audited and a satisfactory audit report is issued.

For any further inquiries, please contact ITAC unit at 35345119.