

Financial and Procurement Guidelines
PDP, ARP and Fellowships

(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 first amount received and approval of technical report submitted.

(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.

(III) Disbursement of Funds:

- **First payment will be effected immediately after the signing the contract and upon receiving a written request from primary researcher.**
- **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.**
- **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.**
- **Only original stamped invoices/salaries receipts approved and signed by the Primary Researcher are accepted.**
- **The Primary Researcher 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.**
- **Upon finalization of project, the Primary Researcher should present the financial closure report in due time (form attached).**

(IV) 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 Primary Researcher, 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 **Primary Researcher** has to authorize direct negotiation and procurement through the sole supplier and submit to ITAC unit a letter indicating reason for direct procurement.

(V) Conflict of Interest:

ITAC Projects are financed by Public Funds. Therefore, 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.

(VI) The Guidelines and Project Contract:

The above Guidelines are considered an essential part of project contracts. ITAC has the right to reject any disbursement if any of the above guidelines are not met.

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