GUIDELINES: OPERATIONAL AND PROCEDURES MANUALS FOR GRANT RECIPIENTS

Background

An operational policy and procedures manual helps principal recipients (PRs) function in a transparent, standardized, and sustainable manner. An operational policy is generally a principle or rule to guide operational decision making, whereas a procedure (or protocol) is how a process is actually performed.

Organizations that become recipients of grants from the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) are generally required to develop such manuals prior to grant signature or in the first months of implementation, if they do not already have them. While many organizations have broad policies and procedures, it is critical that these also define the policies and procedures by which their Global Fund grant(s) will be managed. This generally requires that the PR develop additional policies and procedures to cover the Global Fund grant or that the existing set of policies and procedures be considerably enhanced.

When operational policy and procedures manuals are developed, the following requirements must be met:

- There is a defined process for organizational approval of the policies and procedures so that it is clear that the organization has formally adopted them for implementation
- Staff of the organization are oriented and trained in the procedures that are relevant to their roles
- The policies and procedures are widely available and are followed, and compliance with the policies and procedures is monitored
- The policies and procedures are periodically reviewed and updated to reflect the following:
  - Environmental, legislative, or Global Fund changes that make changing the relevant policy or procedure necessary
  - Lessons learned about best practices
  - The need to address identified weaknesses in existing policies and procedures during the grant implementation phase
The format for operational policy and procedural manuals that is appropriate for any particular grant recipient varies. ¹

Frequently, an organization has existing documentation templates and may choose to use these or adapt them if necessary. Similarly, the structure of manuals that is appropriate for any grant recipient varies and the choice of structure rests with the organization. Some organizations prefer to have all policies and procedures in one comprehensive document, while others find it useful to have a set of separate manuals that can be tailored to allow specific needs to be addressed, referenced, and updated. Regardless of the structure used by a particular organization, operational and procedures documents might include the following:

- General grant management information on Global Fund structures and processes, country and PR policies and operational frameworks, and grants
- Financial policies and procedures covering the financial management requirements for management of a Global Fund grant and the detailed procedures to be used in the grant
- Subrecipient (SR) management procedures covering the selection, assessment, appointment, coordination, monitoring, and capacity building of SRs
- Human resource management procedures covering relevant information for staff engaged under the grant, especially staff engaged for program management
- Project management structure and roles
- Procurement supply management (PSM) procedures (as appropriate for the grant)
- Monitoring and evaluation (M&E) procedures

In addition, a key companion document to the documents described above is the project implementation plan that details the scheduling, responsible officers, and expected product for each activity under the grant. The project implementation plan is updated regularly to reflect the latest status of activities, links between activities, and required time to complete activities.

**Sample Content of an Operational or Grant Implementation Manual**

As mentioned, grant management information is included in an operational or grant implementation manual that might be a single comprehensive manual or, alternatively, part of a series. Even if the grant management document is part of a series of manuals, it is useful for the operational manual to include an overview of all components, such as financial management, human resource management, and SR management. An operational or grant implementation manual might include the sections listed in annex 1 to this document.

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Attachments

Acronyms

Preface

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¹ Some organizations choose to call this document an “operations manual”; the document described here can be referred to either way.

² 15.1EN_Guidelines_Operational and Procedures Manuals_V1.docx
1. **Introduction**
   1.1 Users of the handbook
   1.2 How to use the implementation handbook
   1.3 Modifying the handbook
   1.4 Structure of the handbook

2. **Background information**
   2.1 Overview of the Global Fund
   2.2 Overview of Global Fund grants in the country

3. **In-country institutional structures, roles, and responsibilities**
   3.1 Country coordinating mechanism (CCM)
     3.1.1 CCM oversight
     3.1.2 Reporting obligations of the PR
   3.2 CCM secretariat
   3.3 Local fund agent (LFA)
   3.4 Principal recipient (PR)
   3.5 Subrecipient(s) (SR)
   3.6 Communication and coordination
     3.6.1 Reporting and communication between the Global Fund, CCM, PR, and LFA
     3.6.2 Reporting and communication between PRs and SRs

4. **Program implementation**
   4.1 The PR
   4.2 Program description
   4.3 Annual work plans and budgets
   4.4 Program phases
     4.4.1 Implementation period 1
     4.4.2 Implementation period 2
     4.4.3 Review of implementation by LFA
   4.5 Reprogramming
     4.5.1 Background
     4.5.2 Reprogramming procedure
   4.6 Technical harmonization with other in-country programs
   4.7 Programmatic reporting
     4.7.1 Global Fund reporting requirements
     4.7.2 Progress Update and Disbursement Request
     4.7.3 Enhanced financial reporting and annual progress report
5. **Termination of project or grant**

5.1 Grant termination or suspension by Global Fund

5.1.1 At the sole discretion of Global Fund

5.1.2 Procedures on termination

5.1.3 Transfer of grant to another PR

5.2 Project termination or suspension by PR or SR

5.2.1 Successful completion of project activities

5.2.2 Suspension and termination of project activities

5.2.3 Force majeure

5.2.4 Breach of contract

5.2.5 Suspension of activities

5.2.6 Termination of activities

6. **Management of SRs**

6.1 Global Fund guidelines

6.2 LFA’s preassessment of PR’s SR-management capacity

6.3 SR management plan

6.4 Selection, assessment, and appointment of SRs

6.5 Subgrant agreements

6.6 Monitoring and reporting

6.7 Selection of sub-SRs

7. **Financial management**

This section can provide comprehensive financial management procedures. Alternatively, this section can provide an overview of the financial management requirements and procedures that are covered in a separate detailed manual that is the reference document for staff undertaking financial management functions on a day-to-day basis. Sample detailed contents for financial management are outlined in annex 2 to this document.

Whereas the operations or grant implementation manual provides an overview of financial management matters (with detailed procedures in the separate manual below only), the following content might be included:

7.1 Financial management objectives

7.2 Global Fund requirements

7.3 Institutional requirements

7.4 Financial roles and responsibilities of Global Fund recipients

7.5 Financial management capacity assessment

7.6 Financial accounting policies, systems, and requirements

7.7 Banking requirements

7.8 Financial reporting

7.9 Disbursement and flow of funds

7.10 Financial record keeping

7.11 Taxes and duties

7.12 Program income

7.13 External audit

7.14 Asset management
8. **PSM**

*Individual grants might have significant procurement elements, so the extent and content of any section on PSM needs to be tailored to the situation. In addition to an operational or grant implementation manual providing broad information on procurement (as shown below), an appropriately detailed procedures manual might be developed as the reference document used by staff who undertake PSM activities on a day-to-day basis.*

8.1 Procurement guidelines
8.1.1 National procurement law
8.1.2 Global Fund procurement requirements and guidelines
8.1.3 PR guidelines on PSM
8.2 PR responsibility for PSM
8.2.1 Rapid PR procurement and supply capacity assessment
8.2.2 Responsibility for pharmaceuticals and other health products
8.2.3 Responsibility for nonhealth products
8.2.4 Human resources for PSM
8.2.5 Selection of procurement method(s)
8.3 PSM plan and/or country profile
8.4 Forecasting and/or quantification for pharmaceutical and other health products
8.5 Distribution and inventory management
8.6 Logistics management information systems
8.7 Budgeting and budget harmonization
8.8 Tax exemption and role of PSM staff
8.9 Insurance for goods in transit and warehouse

9. **M&E**

*Broad information regarding M&E principles and processes is usually provided in the operational or grant implementation manual, as shown below. In addition, an appropriately detailed M&E operational manual might be developed as the reference document used by staff undertaking M&E activities on a routine basis.*

9.1 Global Fund’s M&E principles
9.2 Key elements of an M&E plan
9.3 PR’s monitoring, supervision, and evaluation processes
9.3.1 Data collection and analysis
9.3.2 Data management
9.3.3 Data reporting
9.3.4 Data quality
9.4 SR reporting and links with PR
9.5 Activities and norms
9.6 Coordination of M&E activities (especially if a grant has more than one PR)
9.7 Information system
9.8 Tools
10. Human resource policies and procedures

Most organizations appointed as recipients of Global Fund grants have established human resource policies and procedures. The extent to which these are well documented, however, varies. How to apply the organization’s existing human-resource policies and procedures to staff appointed through the Global Fund grant may be addressed in an operational or grant implementation manual. If a human resources manual for the PR is not currently available, the organization can develop a detailed human resources manual covering the day-to-day processes, templates, and tools related to the project management staff.

The broad overview of human-resource policies and procedures included in an operational or grant implementation manual might cover the following items:

10.1 Recruitment of project and other staff
10.2 Staff structure and responsibilities
10.3 Global Fund requirements regarding human resources
10.4 Compliance with PR’s policies and procedures
10.5 Recruitment process
10.6 Appointment and termination
10.7 Payment of salaries and other benefits

SEPARATE DETAILED MANUALS


Sometimes, the operational or grant implementation manual provides comprehensive financial policies and procedures. However, grant recipients frequently find it useful to have a separate detailed reference document for staff undertaking financial management functions on a day-to-day basis. Sample detailed contents for financial management are outlined below.

1. Introduction
2. Overview of financial management
3. Financial management objectives
   - Global Fund requirements
   - Institutional requirements
4. Financial roles and responsibilities of PRs
5. Financial management capacity assessment
6. Financial risk management
   - Internal controls
   - Antifraud and conflict-of-interest policies
7. Planning and budgeting
8. Accounting system
   - Chart of accounts
   - Computerized systems
   - Budget and expenditures analysis
   - Financial statements and accounts
9. Disbursements
   - From Global Fund to PRs
   - From PRs to SRs
10. Cash management
    - Bank accounts
    - Bank interest
    - Petty cash
    - Cash advances
11. Procurement expenditure
    - Local procurement
    - International procurement
12. Travel and per diem rates
    - Local travel
    - International travel
13. Financial reporting
    - Progress Update and Disbursement Request reports
    - Enhanced financial reporting
14. Foreign exchange management
15. Taxes and duties
16. Program income
17. Record keeping
18. Payroll
    - Payroll system
    - Payroll processing
19. Asset management
    - Acquisition
    - Labeling
    - Safeguards
    - Insurance
    - Inventory
    - Disposal
20. Audits
    - Internal audit
    - External audit
21. Closeout
22. Annexes

Project Management Structure and Roles

While broad information on project management structure and roles is included in an operational or grant implementation manual, providing detailed information on project management structure and roles in an accessible document that is available for regular reference and updates can be useful. Such a document might cover the following information:

1. Organization and structure of grant recipient
2. Organization and structure of project or grant management unit
3. Roles and responsibilities of project management staff
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4. Job descriptions and job profiles
5. Coordination of Global Fund project with other components of the grant recipient organization

SR Management Plan

Operational or grant-implementation manuals usually describe the processes for SR management (see section 6 above). However, because effective grant implementation usually relies heavily on the effective management and coordination of SRs and other implementers, the Global Fund generally requires PRs to prepare a detailed SR management plan. The SR management plan is an important guidance and reference tool for SRs. Such plans generally include the following sections:

1. Background and broad Global Fund requirements regarding SRs
2. Implementing partners in the grant
3. Selection of SRs
4. Assessment of SRs
5. Appointment of SRs
6. Coordination and oversight of SRs
   - General
   - Orientation and general updates for SRs
   - Coordination and harmonization meetings
   - Monitoring and oversight of SRs
     - Monitoring visits
     - Review and approval of financial and programmatic reports
     - Review and replanning
     - Audits
   - CCM’s role in SR coordination and monitoring
7. SR work plans
8. Reporting
   - Formats, time lines
9. Banking arrangements for SRs
10. External audits of SRs
11. Asset management
12. Procurement and supply matters (including pooled procurement if relevant)
13. Disbursement of funds from PR to SRs
   - First disbursement
   - Second disbursement
   - Means and records of disbursement
14. Capacity building of SRs
15. Termination and closeout of subgrants
16. Reprogramming requests
17. Communication processes and communication points
19. Annex: Criteria for assessment of SRs
20. Annex: SR agreement template