

Disaster Response and Non Food Procurement

“Disaster Response and Non Food Procurement Policy”

OF

NATIONAL DEVELOPMENT PROGRAMME

(NDP)

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21.Chapter -XXI Disaster Response Accounting System

21.1 Financial Policy

All Accounts of disaster related projects will be maintained following the International Tally Accounting Software and the Financial Policy of NDP and donor requirements on accounting software.

Particulars of Transaction

21.2 CASH TRANSACTION

The Accounts Department will have a limited amount of cash for conducting daily cash transactions on disaster related issue. The cash holding amount should be limited to Tk. 100,000. This amount will be utilized for various recurrent expenses. The major payments will be made through cheques to be withdrawn directly from the bank on a daily basis. However, during emergency works, cash amount up to Tk.2,000,000 may be physically carried to the disaster-affected areas to meet the regular emergency expenses for relief and rehabilitation including cash distribution for 'Cash for Work' activities. However, the internal auditor or monitor should have daily reporting on cash transactions.

21.3 Cash controlling

- 1). Withdrawal of cash from the bank and any receipt or payment should immediately be posted in the Cash Book by preparing a Transaction Voucher with all supporting documents.
- 2). All projects will have separate cash allocations for daily transactions.
- 3). All receipt or refund against any payment, bill, fund or advance for Tk. 100,000 or more should be deposited to the bank on the same day or latest by the morning of the next day.
- 4). After the closing of each day's cash transaction, the accounts assistant will prepare the daily Cash Note Statement that will be verified by the Finance Officer/ Accounts Officer /Accounts Coordinator/ Manager Accounts through cash counting and cash balancing duly authenticated by his/her signature on the cash note statement.
- 5). The closing balance of the daily cash will have to be deposited in the cash locker in presence of the Head of the Accounts department/Authorized person . However, the key will remain with the cashier.
- 6). The Cashier will open the cash locker in the morning of each working day in presence of the Department Head and by counting the cash in his/her presence.
- 7). In case of the Area Office/Project/Program/Branch's, the above procedures will be applicable and the Area Manager will be the signatory and cash counting authority.
- 8). The project accounts will, in the similar manner, be under the control of the Project Coordinator with due authority and responsibilities for cash controlling.

21.4 CASH Book

All transactions of the organization like receipts, payments, bank deposits and withdrawal etc, related to any disaster project or program will have to be maintained as per NDP's Financial Policy.

21.5 Voucher

All Vouchers will be prepared against all receipts, payments and also for adjustments as per NDP's Financial Policy.

21.6 BANKING:

NDP's will have the following policies for conducting the bank accounts regard to disaster related projects/programs:

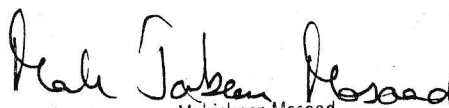
1. Separate bank accounts will be opened for each project in any schedule bank.(if needed)
2. There will be separate interest bearing bank accounts for local contribution and foreign contributions.
3. All foreign and local donations will be channeled through the Mother Accounts of NDP's or Project Bank Accounts of NDP's only for local donations.
4. The Salaries of the staff of NDP'S will be paid through bank account by cheques. However, In considering the distance of the working area, time and certain other conditions, salaries may be paid in cash if necessary.
5. Each of the new projects of the organization there will have separate bank account under NDP's Mother Account Code or project bank account as set forth in the agreement.
6. The bank accounts for emergency disaster operations may be opened in any part of the country with due authorization and approval of the Executive Committee of NDP'S as per Financial manual of the organization for delegation of authority for opening bank accounts.
7. All banking transaction will be conducted as per Financial Manual of NDP'S.

21.7 PAYMENTS

1. During the first month of the emergency project operation payment in cash up to Tk. 100,000 (one hundred thousand) may be made and payment exceeding this amount for whatever the reasons must be made through account payee cheque.
2. Emergency Payments during disaster ,the advance payment for meeting any emergency response may be made in cash for up to Tk.2,000,000 to meet the expenses like cash for work or relief an rehabilitation including cash distribution. In such cases 2-3 vehicles must be used in carrying the cash. In all other emergency disaster response cash carrying amount will be limited to Tk. 500,000.
3. In case of payments for program advance the ceiling for cash payment is Tk.50,000 (Fifty thousand) subject prior Approval of the Executive Director/Head of Finance. This payment may also be made through a bearer cheque.
4. All Salaries including for field personnel should be paid through bank accounts. However, where there are no banking facilities salaries and Volunteer honorium may be paid in cash.
5. All other payments and transaction should follow the basic principles as set in the Financial Manual of NDP.



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21.8 LOAN AND ADVANCE POLICY

1. Loan and advance: Fund

In case of especial requirement such as implementation of a project prior to the receipt of the donor's fund, NDP may take interest free loan from its Own Source.

2. Other advance

2.2.1 All advance procedures for any disaster situation will be made as per NDP's Advance Policy as appearing in Financial Manual.

2.2.2 The Area Office/Project/Program/Branch'ss will have an advance in the form of imprest cash to tune of Tk.200,000 replenishing through bank transfer to the account of the the area Manager/Authorized person upon receipt of financial documents.

2.2.3 To meet any emergency expenses, all related staff may be supported with advance limit up to Tk. 100,000 to carry on emergency response activities.

3. Advance Adjustment Policy

The advance made for any capital item should be adjusted within one month. If the adjustment is not made within this period, the matter should be brought to the Finance Department for decision and action.

3.3.1 Advance against purchase should be adjusted in 30 days period. If the adjustment is not made within this period, the respective staff will have to adjust it from his/her personal source.

3.3.2 Any advance made for any program activity such as re-constriction or infra-structural works will have to adjusted within 30 days of the date of the starting of the program activity failing which the incumbent will be on Warning for 7 days and after this grace period the advance will be adjusted against his/her salary.

3.3.3 If any advance is made for any project Area Office/Project/Program/Branch's for implementation of project activities or office expenses, it has to be adjusted with 1 month, failing which the Area Office/Project/Program/Branch's will receive no advance for the next month and adjustment will be made against salary of the persons responsible.

21.9 Payment of Income TAX

Payment of income taxes will be the responsibility to the Finance Department of NDP for all taxable employees as per government policy and rules and regulations of the income TAX authority, Income tax, thus be deducted at source for onward payment to government.

21.10 Payment of VAT

Payment of VAT will be the responsibility of the Finance Department of NDP for all procurement, supply or service and printing etc. as per government policy and rules and regulations of the NBR, VAT thus be deducted at source for onward payment to the government.

Note: However, where VAT/TAX exemptions are applicable as per donor's policy, NDP will comply with it.

21.11 FUND MANAGEMENT

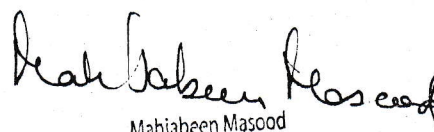
NDP in course of time, will strive to create an Emergency Disaster Fund of Tk.2,000,000 and this fund will be kept reserved for responding to any emergency disaster prior to receipt of funds from any donor agency. However, the expenses for emergency may be reimbursed upon of funds from donors.

21.12 Procurement Policy

1. For all procurements related to any emergency /disaster situation the general procurement policy of NDP will be in effect.
2. However, in case of brand items and emergency relief goods, enlistment of supplier is not mandatory.
3. The procurement or purchase of commodities/supplies required for disaster relief and rehabilitation can be conducted on emergency basis and in such cases the procurement will be based on the following condition.
 - a) In case relief materials/goods/supplies, procurement within Tk.50,000 may be made without any quotation with due approval of the purchase requisition.
 - b) Purchase from Tk. 50,001 to 500,000 could be made either by the procurement Committee or a three member team by obtaining at least three spot quotations.
 - c) Purchase from Tk. 500,001 to Tk. 5,000,000 may be made by the Procurement Committee with three (3) Formal Quotations.
 - d) Purchase above Tk. 5,000,000 should be made through Tender.
 - e) In all such cases, emergency response should be limited to period not over three months.
4. The purchase for emergency items such as medicine and branded items may not need formal quotation rather the quality of the products and reputation of the manufacturer must be of ensured.
5. All procurement are subject to the analysis by the purchase Committee of NDP and approval by the Executive Director Of NDP.
6. Income TAX (IT) and VAT will be deducted at source as per the rules of the country's amended time to time. The deducted IT and VAT will be deposited to the government Exchequer/Treasury within the prescribed date/period from the date of deduction.
7. In case of procurement made from the Government/Semi-Government/Corporation Sources and the Producers/Manufactures/Dealers for the brand items as well as from NDP's own sources, the prescribed rates will be considered as approved rates. Therefore, the above relevant conditions will not apply. However, in case of any brand items, sufficient justification in favour of the specific brand are to be recorded in the minutes of the Procurement Committee.
8. No NDP employee will directly or indirectly participate in the matter of tender/quotations or local purchase, printing/publications works, etc.
9. Any matter relating to purchase for disaster emergency activities not covered under the above rules/policies will be decided by the Executive Director depending on the emergency needs.



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10. In case a vendor fails to comply with the assigned task/job, NDP may utilize its own staff to complete the task depending on the need. In some cases, the Engineering unit of EDM Department of NDP may also undertake such tasks for conducting the works on urgent basis.

21.13 Warehouse Management for Disaster Related Projects

NDP will maintain a separate Warehouse for disaster related materials to keep all necessary for Meeting emergency as well as for post disaster activities and support for disaster affected community People .

There will be central warehouse under the control of NDP Head Office. There will be warehouse under the control of field offices as well as in the disaster affected areas depending on the need.

The following are the support materials that will be stored in the warehouse:

- A. Materials that are to be kept reserved for all times:
- 1) Oral Saline
 - 2) Water purifying
 - 3) Alum
 - 4) Bleaching Powder
- B. Tools and kits for emergency use (to be kept reserved)
- 1) Life jacket
 - 2) Rain coat
 - 3) Gum boot
 - 4) Torch light
 - 5) Megaphone
 - 6) Camera
 - 7) Umbrella
 - 8) Candle
 - 9) Match Box
 - 10) Emergency kit bag with tea shirt and cap
 - 11) Plastic sheets
- C. Procurement and storage immediately upon the onset of disaster
- 1) Chira
 - 2) Gur
 - 3) Biscuits and dry cake
 - 4) Rice/Flour/Suji
 - 5) Pulses
 - 6) Edible Oil
 - 7) Baby Food
 - 8) Powder Milk
 - 9) Sugar
 - 10) Utensils and other Non -Food Items
- D. Equipments and stationeries as will be required after an attack of disaster
- 1) Pen/pencil /writing pads
 - 2) Need assessment forms
 - 3) Laptop computer with pen drive

Each of the warehouses will be under control of a logistic with support from one store keeper and other support staff as per need. The store keeper and the logistic Officer will maintain documents for proper maintenance and record keeping with strictly following regulations of Standard Stock Management Procedures.

21.14 Sock of store

According to the regular requirement, all the departments and units will submit monthly acquisition to the Administration Department. On the basis of the requirement and upon approval by the Purchase Subcommittee, NDP Support Service Department will procure the items. The following procedures will be maintained in this respect.

1. The purchased materials will be the Store in-charge (through proper Challan) from where the respective department will be supplied with the required materials as per requisition.
2. The Store in-charge will maintain proper stock register for all the stock and also be responsible for the maintenance of the materials in stock.
3. The Store in-charge will look into the balance of the stock and when necessary will submit requisition for such items that are required from time to time such as pen, pencil, paper, etc.
4. The Store in-charge will keep the Department of Administration posted of the latest stock position for the stock of the store.
5. The Store in-charge will be responsible for any loss due to ignorance and lack of maintenance, even disciplinary action may be taken for the person if situation calls for.

22. Chapter –XXII Amendment

AMENDMENT: This guideline may be changed bases on needs.