

EXTERNAL FINANCE INFORMATION SESSION

Financial Closure Report (FCR) and Progress Update (PU)

23 July 2024

This session is being recorded.

Agenda

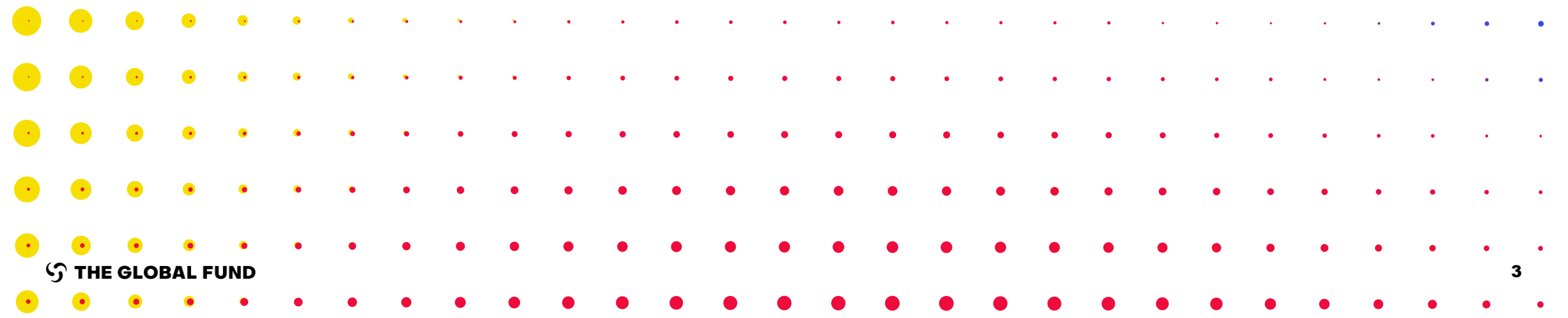
- ➊ Overview: Implementation Oversight in 2024 and Beyond - Finance
- ➋ Key Areas for focus during the preparation of the FCR (and the last PU)
- ➌ Financial Closure Report content
- ➍ Progress Update Report content
- ➎ Next steps and resources
- ➏ Questions and Answers



1

Overview

Implementation Oversight in 2024 and Beyond - Finance



Implementation Oversight: Key changes from 2024 (GC6 & GC7)

Improved Data Quality

Data Quality Checks (DQC)

Online data quality checks to ensure first-time right submission

Results Correction* from July

Results from prior reporting periods can be updated within the same implementation year

ADEX** Integration*

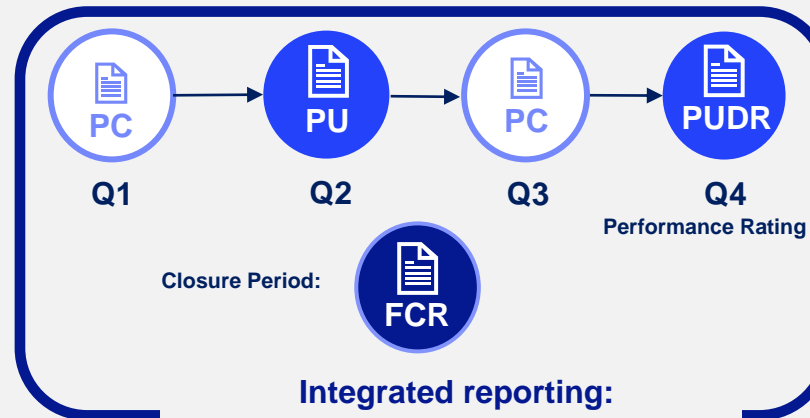
Results feed directly from DHIS into the Partner Portal to reduce manual entry for a defined cohort of PRs

Elementary Indicators

Single entry of common numerators and denominators to reduce repeated data entry, improving data consistency

Integrated Reporting*

Reducing from 4 Pulse Checks to 2 yearly per grant/IP:



Integrated reporting:
Previously submitted results are displayed in subsequent reports

New Reporting Flexibilities

Submission by Section from July

PRs can submit the Pulse Check and PU/DR section-by-section to allow for timely insights

Systems Enhancements

Reporting via Online Forms

Phased transition to reporting through online PU/DR forms, including Financial Closure Reports

*Impacting HI and Core portfolios only **ADEX - Aggregated Data Exchange DHIS – Data Health Information System

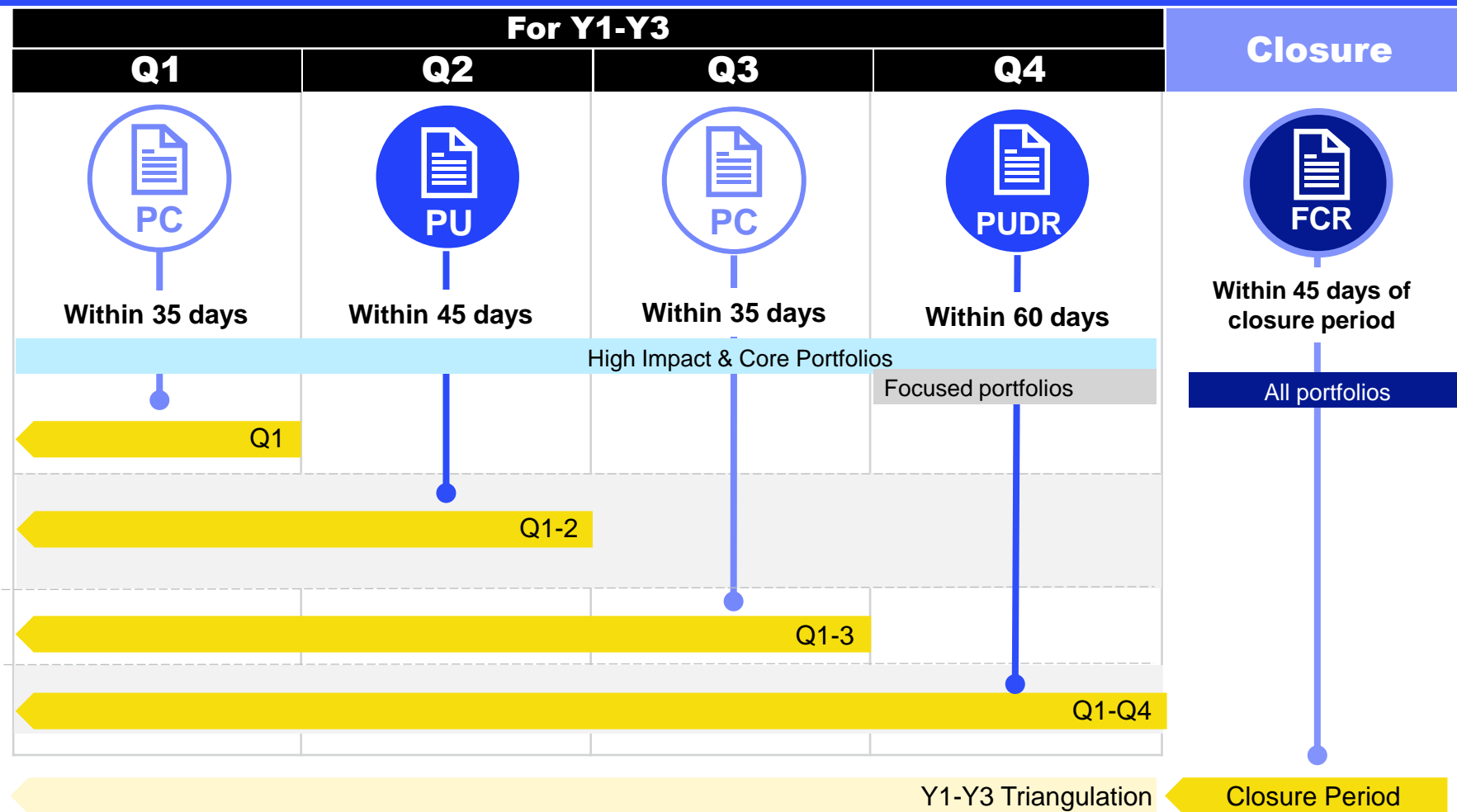
Data is automatically aggregated for integrated reporting across all forms



Financial reporting section

- Each report is cumulative. Example: In Q3 reporting includes Q1-Q3.

 Financial reporting period



Implementation Oversight: Key changes from 2024 (GC6 & GC7)

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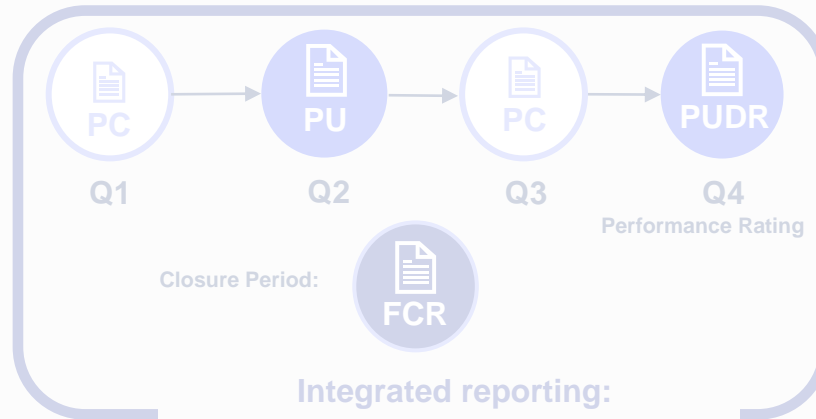
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 New compared to PC release

Sections available for individual submission:

Programmatic

Financial

PSCM & Grant
Management

Sectional submission available:

- As of 30 June for PU
- As of 30 Sept for Final PU and PUDR

- From July 2024, the PU will be organized into three sections available for individual submission in Partner Portal: (1) Programmatic; (2) Financial; and (3) PSCM & Grant Management.
- Each section **can be submitted**, allowing for results to be submitted to the Global Fund as quickly as possible for **timely insights**.
- Each section will have an individual status in Partner Portal to allow visibility on what is awaiting submission.
- **The report is considered fully submitted to the Global Fund only once all sections have been submitted.** The timeline for overall submission remains the same 45 days from the reporting period end date*.

Implementation Oversight: Key changes from 2024 (GC6 & GC7)

Improved Data Quality

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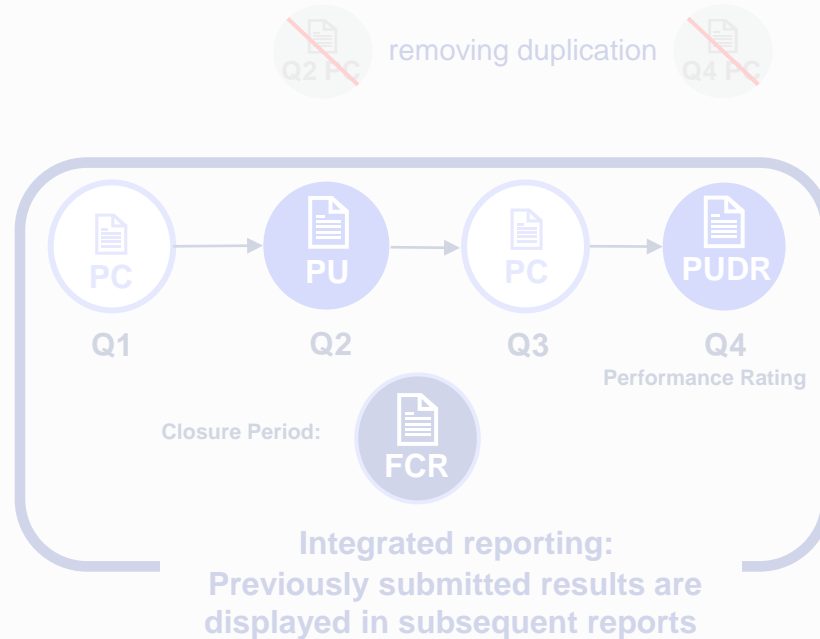
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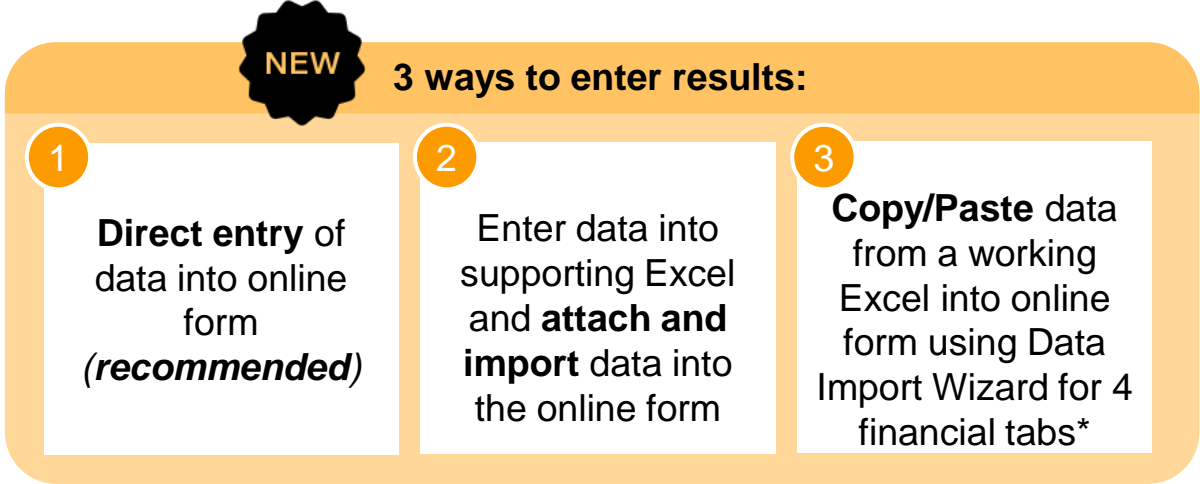
Reporting via Online Forms

Phased transition to reporting through online PU/DR forms, including Financial Closure Reports

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PR Reporting is fully online

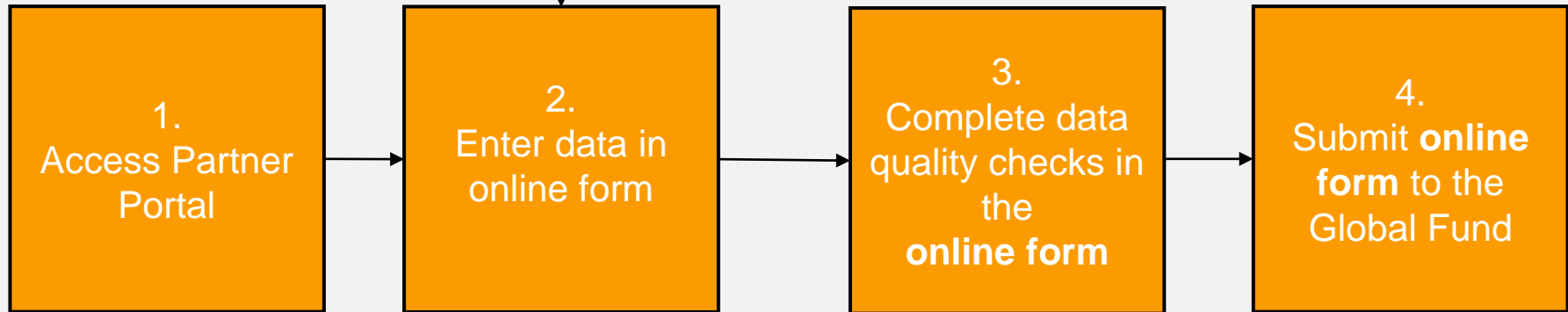
PRs are strongly encouraged to directly enter data into the online form.



A supporting Excel **cannot** be used for submission to the Global Fund.



Fully online process



* Functionality on 4 financial tabs; Expenditure Report, Cash Reconciliation, Commitments & Obligations, SR Cash Reconciliation

NEW New compared to the Pulse Check

Data quality checks ensure PR submissions are accurate and complete upon submission

Data quality checks are a set of automated actions that the system performs to flag irregularities, which enable:

- Improved data quality by flagging potentially incorrect data.
- Prevention of data entry errors.
- Improved data integrity and consistency.
- Quicker review process of the submitted data by Global Fund.

There are 2 types of checks in Partner Portal:

Error

- Alerts when the data does not comply with validation rule
- Does not allow PR to submit until the error is corrected.
- Allows the system user to review and correct the data before submitting the form.

Warning

- Flags the system user to check if the data captured is correct or contains a potential error.
- Requires a justification comment if the warning is overruled.
- Allows PR to proceed and submit.



2

Key Areas for focus during the preparation of the FCR (and the Last PU)

1. Ensure completeness and accuracy of reported Expenditures

Expenditure categorization

- Expenditures should be **correctly categorized** by funding sources, if applicable.

Cumulative expenditure

- Cumulative expenditures should be reconciled to periodic expenditures in all reports.

Financial Commitments and obligations

- Expenditures are **inclusive of financial commitments** and **exclusive of financial obligations and advances**.

Wambo.org and direct sourcing

- **Reconcile** goods and services delivered that were procured from wambo.org or directly sourced in the 'Expenditures' sheet with PSA/wambo.org reports.

1. Ensure completeness and accuracy of reported Expenditures

Non-compliant expenditures

- Non-compliant expenditures should **not be** included in the 'Expenditures' sheet.
- Taxes unrecovered are non-compliant, hence should also be excluded from the 'Expenditures' sheet.
- **Reconcile** all non-compliant expenditures and/or recoverable amounts previously communicated by the Global Fund

C19RM 2020

- C19RM 2020 expenditures are required to be reported only under the 'Regular Funds Expenditure' sheet under the **two interventions** ("Risk mitigation for disease programs", "COVID-19 control and containment including health systems strengthening").
- C19RM 2020 expenditures incurred up to 30 June 2021 **should not change from one period to another.**

2. Financial commitments and Financial Obligations

Financial Commitments

- Goods and services **delivered before the end of the reporting period**, but not yet paid for.
- Financial commitments should be **reported as expenditures**

Financial Obligations

- Goods and services **delivered and paid after the end of the reporting period where the contract terms were already in place at the final PU reporting date.**
- Obligations **can be transferred to the GC7 grant** (if there is), however without additional funding.

List of Financial Commitments and Obligations

- The **detailed listing** of financial commitments and obligations is required to be provided in the prescribed format for the Final PU and FCR only.
- This includes: the activity description, the relevant module, intervention, cost input/cost grouping and implementer associated with the activity, the amount of the commitment and the actual delivery date of the related good/service.

FX rate used for reporting financial commitments

- As part of the Financial Closure Report, the rate on the **actual payment date** and the final amount for which the commitment was liquidated need to be provided.
- **Any differences** between commitments booked in the Final PU and the actual amount in the FCR for which the commitments have been liquidated need to be **adjusted in the 'Expenditures' sheet.**

3. Slippages

Allocation Utilization Period (AUP)

- The period (usually three years) during which the country allocation per disease component can be utilized to implement a grant.

Uses of funds

- The allocation amount is required to be used for activities that were **budgeted, approved** and **completed** during the related AUP regardless of whether the payment for such activities has occurred or not.
- **In certain cases, payments relating to goods and/or services delivered after the end of an AUP** may be considered as expenditure from that AUP (“AUP slippage”).

HTM only

- Financial obligations and slippages **apply for HIV/TB/malaria (HTM) funds only**. There are no financial obligations and slippages for C19RM.

3. Slippages (continued)

AUP slippages

Three criteria for approving AUP slippages:

1. Order(s) for the goods or services were **placed with adequate** consideration for relevant **lead times** such that the goods or services were expected to be delivered before the end of the AUP.
2. The delivery of the goods or services is **delayed for reasons beyond the implementer's control**.
3. The delivery of the goods or services is completed within a **maximum of 180 days** of the end of the AUP.



Global Fund approval is necessary.

Practical example of AUP slippages

The PR placed an order for X product in consideration of the appropriate lead time and expectations of delivery before the end of their Implementation Period (IP). However, later on the supplier informed the PR that for reasons beyond the PR's control, the delivery could not be guaranteed before the end of the IP, but promised the delivery within 180 days after the IP end date. The PR informed the CT of this "slippage" and provided the necessary justifications. The CT accepted this delayed delivery as an "AUP slippage". In the FCR, the PR confirmed the delivery of these products within the 180 days after the IP end date.

4. Determine closing cash balance in the FCR

Opening cash balance of the FCR

Pre-populated based on following rules:

- If the grant **has no C19RM funds**, it is populated from the latest PUDR/Final PU.
- If the grant **has C19RM funds**, it is populated from the Pulse Check for the end of the previous financial period.
- If the grant is for a **Focused portfolio** and therefore does not report on Pulse Checks, it is populated from the latest PUDR/Final PU.
- Any corrections can be made in section 4 on reconciling adjustments.

Closing cash balance

- In order to arrive to the final closing balance of the grant, the PR cash reconciliation section is **complemented with the advances in the FCR only**.
- The **split** of closing cash **balance by funding source**.

Non-compliant expenditures

- PR's **cash outflows cannot be adjusted** for open non-compliant expenditures until those are recovered on the PR's bank account.
- Taxes are also non-compliant expenditures.

4. Determine closing cash balance in the FCR

Other reconciling adjustments

Section 4

- 4.1 Other reconciling adjustments: Only valid and **well-supported adjustments** can be accepted in 4.1.
- 4.2 Net FX gains/losses: Understand the **FX effect on translation** and recalculate if necessary.

Bank reconciliation

Section 9

- Section 9.1: PR to provide bank statement and enter the total of bank balances.
- Section 9.2: PR to provide bank reconciliation and enter the reconciled figure.
- Specifically, if the provided bank statement and bank reconciliations are correct and the variances in **section 9.3 and 9.4 are well justified**.

5. Triangulation

Triangulation

The **objective of triangulation** is to ensure completeness and accuracy of financial information presented. It involves the reconciliation of the:

- **closing cash** with **expenditure**.
- taking into consideration **financial commitments** and **open advances**.

Cumulative triangulation

- The FCR caters for the Cumulative Triangulation for the entire IP.
- **Fully automated** from previous PUDRs and linked with other elements of the FCR.

Justified triangulation variances

Examples of the **justified triangulation variances** include:

- SR income.
- SR net exchange gain or loss from translation of balances.
- Open ineligible.
- Refund of taxes.
- SR refunds.

Expenditure cumulation

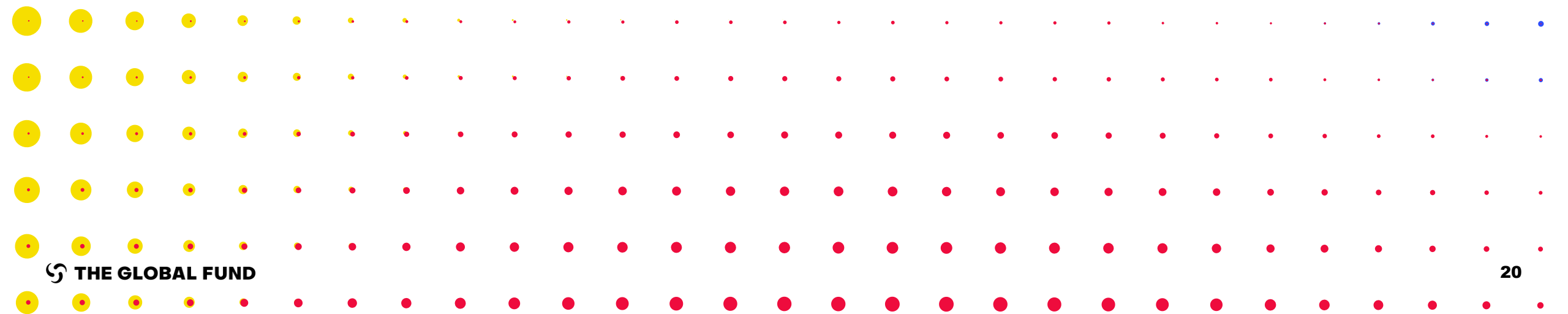
- Section 13.2 will automatically calculate the **expenditure cumulation**. It takes each periodic expenditure and compares it with the cumulative expenditure of the last period.
- If there is any variance, those **should be adjusted** for in the FCR.



3

Financial Closure Report (FCR)

Content



Financial Reporting – Cash Reconciliation

Cash Reconciliation

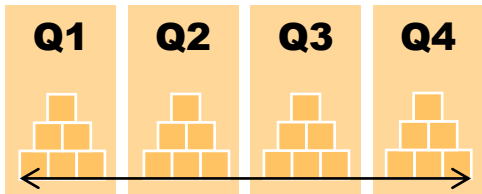
Open Advances

Expenditure Report

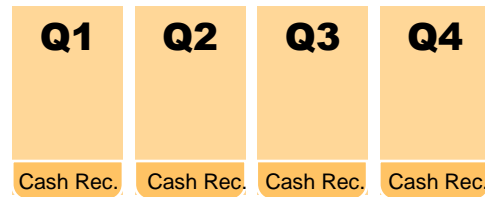
Non-compliant Expenditures

Overview

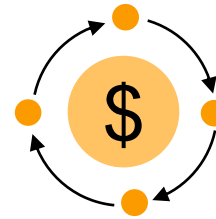
Cash reconciliation captures relevant financial data to calculate the PR cash balance at the end of the reporting period.



The overall structure is harmonized across all four quarters through the **existing PUDR PR Cash Reconciliation** tab.



The Cash Reconciliation tab is **replicated in each reporting quarter** in the same way, with the exception of the FCR, where supplementary information on closing balances is now included.



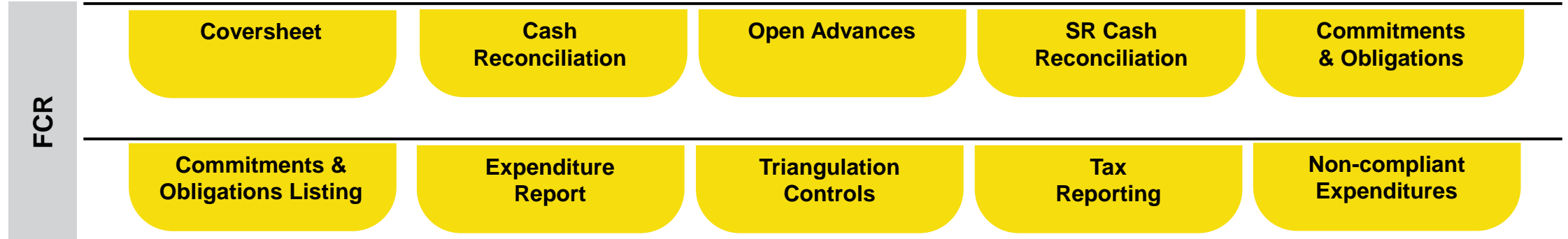
Multiple funding source flow is being introduced to monitor cash inflows and outflows at various funding source levels.



A new section on refunds is incorporated to address triangulation variances at the time of the PUDR

FCR content

Tabs included in the FCR



Financial Reporting – Coversheet

Coversheet

Cash Reconciliation

Open Advances

Expenditure Report

Non-compliant Expenditures

Cover Sheet

> **i** Errors and Warnings

☰ Check data quality

Data quality check required

Financial Summary

Cash balance at the end of the period

Time elapsed since start of IP

Exchange rates

Item	Exchange Rate	Exchange rates used by the PR
1	Exchange rate to convert opening cash balance	<input type="text"/>
2	Exchange rate to convert closing cash balance	<input type="text"/>
3	Exchange rate to convert total PR cash outflow for the reporting period	<input type="text"/>
4	Comments on exchange rates	<input type="text"/>

FCR content – PR Cash Reconciliation

Cash Reconciliation

Open Advances

SR Cash Reconciliation

Commitments & Obligations

Commitments & Obligations Listing

Expenditure Report

Triangulation Controls

Tax Reporting

Non-compliant Expenditures

Vertical funding source breakdown to split the cash position by funding sources

A. Principal Recipient cash reconciliation statement in IP currency

1.1. PR Cash Balance: beginning of the current financial reporting period					
Item	Description	Regular Funds	C19RM Funds	Total	1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information
1.1	PR Cash Balance: beginning of the current financial reporting period	-	-	-	<input type="text"/>

Cash balance is sourced from: 1) If the grant has no C19RM, it comes from previous PUDR or Final PU. 2) If the grant has C19RM it comes from previous Pulse Check. Focused grants with C19RM will come from PUDR.

The PR has to make adjustments in reconciling adjustments section in case of mistakes in their previously reported cash balance

FCR content – PR Cash Reconciliation

- Cash Reconciliation
- Open Advances
- SR Cash Reconciliation
- Commitments & Obligations
- Commitments & Obligations Listing
- Expenditure Report
- Triangulation Controls
- Tax Reporting
- Non-compliant Expenditures

Vertical funding source breakdown to split the cash position by funding sources

Item	Description	Regular Funds	C19RM Funds	Total	
					1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information
2.1	Disbursements made directly by the GF to the PR	-	-	-	<input type="text"/>
2.2	Disbursements made by the GF through PPM / wambo	-	-	-	<input type="text"/>
2.3	Other direct disbursements made by the GF	-	-	-	<input type="text"/>
2A	Total disbursements made by the GF	-	-	-	<input type="text"/>
2.4	Interest received on PR bank accounts	<input type="text"/>	<input type="text"/>	-	<input type="text"/>
2.5	PR's revenue from income-generating activities and other income (e.g. income from disposal of assets, etc.), if applicable	<input type="text"/>	<input type="text"/>	-	<input type="text"/>
2B	Total other income for PR	-	-	-	<input type="text"/>

The first part of the income section remains the same

FCR content – PR Cash Reconciliation

Cash Reconciliation	Open Advances	SR Cash Reconciliation	Commitments & Obligations	Commitments & Obligations Listing	Expenditure Report	Triangulation Controls	Tax Reporting	Non-compliant Expenditures
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The second part of the income section is further detailed to show the relevant refunds to PR

2.7.1	Refunds received at PR level from third parties	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	
2.7.2	Refunds received from SRs	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	
2.7.3	Tax refunds received (e.g. VAT/other tax returns)	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	
2.7.4	Reimbursement of ineligible expenses made into PR account	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	
2C	Total Refunds received			-	-		-	<input type="text"/>	
2.7	Total IP income			-	-		-	<input type="text"/>	

FCR content – PR Cash Reconciliation

Cash Reconciliation

Open Advances

SR Cash Reconciliation

Commitments & Obligations

Commitments & Obligations Listing

Expenditure Report

Triangulation Controls

Tax Reporting

Non-compliant Expenditures

3. IP cash outflows

Vertical funding source breakdown to split the cash position by funding sources

Item	Description	Regular Funds	C19RM Funds	Total	1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information
3.1	PR Payments (including advance payments)	<input type="text"/>	<input type="text"/>	-	<input type="text"/>
3.2	PPM / wambo payments made by the GF on behalf of the PR	-	-	-	<input type="text"/>
3.3	Payments to other third parties by the GF on behalf of the PR	-	-	-	<input type="text"/>
3.4	PR disbursement(s) to sub-recipients	<input type="text"/>	<input type="text"/>	-	<input type="text"/>
3.5	Bank charges on disbursements and payments for PR	<input type="text"/>	0	-	<input type="text"/>
3.6	Total payments and disbursements	-	-	-	<input type="text"/>

FCR content – PR Cash Reconciliation

Cash Reconciliation

Open Advances

SR Cash Reconciliation

Commitments & Obligations

Commitments & Obligations Listing

Expenditure Report

Triangulation Controls

Tax Reporting

Non-compliant Expenditures

Vertical funding source breakdown to split the cash position by funding sources

4. Reconciling adjustments: (PR only)

Item	Description	Regular Funds	C19RM Funds	Total	
					1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information
4.1	Other reconciliation adjustments (including for previous financial reporting periods)	<input type="text"/>	<input type="text"/>	-	<input type="text"/> ⋮
4.2	Net exchange gains/losses on translation of balances	<input type="text"/>	<input type="text"/>	-	<input type="text"/> ⋮
4.3	Total reconciling adjustments	-	-	-	<input type="text"/> ⋮

FCR content – PR Cash Reconciliation

Cash Reconciliation	Open Advances	SR Cash Reconciliation	Commitments & Obligations	Commitments & Obligations Listing	Expenditure Report	Triangulation Controls	Tax Reporting	Non-compliant Expenditures
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Vertical funding source breakdown to split the cash position by funding sources

Item	Description	Regular Funds	C19RM Funds	Total	
<div style="border: 1px solid purple; border-radius: 10px; padding: 5px; display: inline-block; margin-left: 100px;">Regular Funds C19RM Funds Total</div> <div style="margin-left: 100px; text-align: right;"> 1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information </div>					
∨	5. Total cash balance: end of the current financial reporting period				
5.1	Total PR cash balance	-9,848,904	1,399,916	-8,448,989	...
5.2	Open advances at the end of the financial closure reporting period	180,551	-78,567	101,984	...
5.3	Closing Cash Balance for the IP	-9,668,354	1,321,349	-8,347,005	...
5.4	Closing Cash Balance to be refunded to Global Fund	0.00	0.00	0	...
5.5	Closing Cash Balance to be recycled for transfer to next IP	-9,668,354	1,321,349	-8,347,005	...

The Cash Reconciliation largely remains the same as introduced in the Pulse Check, however, specifically for FCRs additional 4 elements (5.2-5.5) have been introduced to determine the use of closing balances.

- 5.2 relates to advances at the end of the closure period and it is directly linked from the Open Advances tab.
- 5.3 is the total of 5.1 and 5.2.
- ★ 5.4 is the only input cell required by the PR. The PRs are required to enter any funds that they intend to refund to the Global Fund at the end of the closure.
- 5.5 is the balance of the total closing cash balance (5.3) less the PR's refund (5.4) to determine the final cash balance to reconcile against the next IP.

FCR content – PR Cash Reconciliation

Cash Reconciliation

Open Advances

SR Cash Reconciliation

Commitments & Obligations

Commitments & Obligations Listing

Expenditure Report

Triangulation Controls

Tax Reporting

Non-compliant Expenditures

B. Bank Reconciliation Statement balances

Item	Description	Total	1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information
9.1	PR balance as per bank statements (for information only)	<input type="text"/>	<input type="text"/>
9.2	Bank reconciliation net amount	<input type="text"/>	<input type="text"/>
9.3	Variance between bank statement balance and PR cash balance	-	<input type="text"/>
9.4	Variance between bank reconciliation statement balance and PR cash balance	-	<input type="text"/>

Variance between the bank statement and PR cash balance and bank reconciliation and PR cash balance is introduced. In case of variance, commentary is mandatory.

Tips for 9.1:

If the PR hold Global Fund funds in more than one account, a sum of all accounts should be entered in this field and the PR should attach the bank statement from all accounts.

Tips for 9.2:

This represents the bank balance as reported under line 9.1, which is adjusted for reconciling items, such as unpresented checks or bank charges not booked in the PR's accounting. Bank reconciliation is also used for grants with comingled account.

Tips for 9.4:

This represents the difference between the bank reconciliation (9.2) and the reported PR cash balance (5.1). The variances between those two should be minimal. For example, petty cash.

FCR content – PR Cash Reconciliation

Cash Reconciliation

Open Advances

SR Cash Reconciliation

Commitments & Obligations

Commitments & Obligations Listing

Expenditure Report

Triangulation Controls

Tax Reporting

Non-compliant Expenditures

Common mistakes

1

Opening cash balance is incorrect

1.1 PR Cash Balance: beginning of financial reporting period equals with the 5.1 PR Cash balance at the end of the previous financial reporting period

2

Open non-compliant expenditures are adjusted for in the cash outflow

3.1 PR Payments should not be adjusted for open non-compliant expenditures in order not to artificially inflate the closing cash balance. When PR refunds non-complaint expenditures, those should be adjusted for in section 2.7.4. Reimbursement of ineligible expenses made to PR account

3

Other reconciling adjustments are not explained or justified

4.1 Other reconciliation adjustments should be detailed – preferably with clear workings - well justified and explained

4

FX gains or losses calculated incorrectly

4.2 Net FX gains/losses on translation of balances is calculated using the correct rates. Note that, in this section it is only the PR's cash reconciliation, FX gains/losses on SR balances are calculated in the SR cash reconciliation tab.

5

Cash balance split by funding source is incorrect

C19RM cash balance should be determined as per the methodology prescribed in the Triangulation Control section (13.3).

6

Misunderstanding of bank statement and bank reconciliation

9.1 PR balance per bank statement and 9.2 Bank reconciliation net amount are not filled in correctly. Variances (9.3 and 9.4) are not explained properly.

FCR content – Open Advances

Funding source breakdown to split Open advances by funding source

Regular Funds C19RM Total

Cash Reconciliation

Open Advances

SR Cash Reconciliation

Commitments & Obligations

Commitments & Obligations Listing

Expenditure Report

Triangulation Controls

Tax Reporting

Non-compliant Expenditures

The Open Advances section remains similar to what was already included in the GC6 PUDR, except for one new element.

Item No.	Description	SR Advances	PR Procurement Advances (PPM/Wambo only)	PR Other Advances (GDF, prepayments, etc.)	Comments
6.1	Open advances at the beginning of the current financial reporting period	10	6778.00	8767.00	6.1 HTM
6.2	Disbursements made through PPM / wambo		0		
6.3	Other direct disbursements made by the GF			0	
6.4	Disbursements to sub-recipient(s) and other suppliers	15		65.30	6.4 HTM 1.5
6.5	Less: value of goods and services delivered against open advances	0	65.20	65.30	6.5 HTM 2
6.6	Sub-recipient(s) other income	20			
6.7	Sub-recipient(s) refunds	0			
6.9	Net exchange gains/(losses) on translation of balances	0			
6.8	Open advances at the end of the current financial reporting period	45	6,713	8,767	

6.9 Net exchange gains/(losses) on translation of balances has been introduced in the open advances for SRs to clearly identify those forex impacts separately from other adjustments to the open advances.

FCR content – Open Advances

Cash
Reconciliation

Open
Advances

SR Cash
Reconciliation

Commitments
& Obligations

Commitments &
Obligations Listing

Expenditure
Report

Triangulation
Controls

Tax Reporting

Non-compliant
Expenditures

Common mistakes

1

Open advances at the beginning of the current financial reporting period is not aligned with the closing of the previous financial reporting period

6.1 Open advances at the beginning of the period must align with the 6.8 open advances at the end of the previous reporting period

2

NEW! Open advances section is duplicated for the different funding sources.

Ensure to properly split open advances by funding sources on different tabs.

3

NEW! FX gains/losses are added to the SR advance

6.9. Net exchange gains/losses on translation of balances was added to the SR advances and it is linked from the SR Cash Reconciliation tab column 11.

FCR content – SR Cash Reconciliation

Cash Reconciliation	Open Advances	SR Cash Reconciliation	Commitments & Obligations	Commitments & Obligations Listing	Expenditure Report	Triangulation Controls	Tax Reporting	Non-compliant Expenditures
---------------------	---------------	-------------------------------	---------------------------	-----------------------------------	--------------------	------------------------	---------------	----------------------------

Funding source breakdown to split Sub-recipient cash position by funding source

The SR Cash Reconciliation largely remains the same.

11. Net exchange gains/(losses) on translation of balances has been introduced in the SR Cash Reconciliation to clearly identify those forex impacts.

Regular Funds	C19RM	Total
---------------	-------	-------

Totals													0
#	(1) Sub-recipient Name	(2) Cumulative sub-recipient expenses for previous financial reporting periods at PR level	(3) SR open advances at beginning of financial reporting period at PR level	(4) Disbursements made by the PR or directly by the Global Fund during the current financial reporting period	(5) Other income during the current financial reporting period	(6) Expenditures validated by the PR during the current financial reporting period	(7) Refunds received from the SR	(11) Net exchange gains/(losses) on translation of balances	(8) SR open advances at closing at PR level	(9) Actual SR cash balance (if applicable)	(10) Variances on SR balances	PR comments	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>	<input type="text"/>	

FCR content – SR Cash Reconciliation

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Open Advances

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Common mistakes

1

SRs omitted from the list

All SRs must be listed in this tab, even those that are not listed in the prepopulated Expenditure sheet.

2

Total expenditures for the period in column (6) does not equal to the total expenditures for the period on the Expenditure tab section C

Similarly, total cumulative expenditure for previous period (column 2) must equal the total cumulative expenditures for the previous period on the expenditure tab section C.

3

Total disbursement does not match with section 3.4 in PR Cash reconciliation

Total disbursement in column 4 must match with the total disbursement in Section 3.4 of the PR Cash Reconciliation by funding sources.

4

Open SR advances at the beginning of the current financial reporting period is not aligned with the closing of the previous financial reporting period

SR open advances at the beginning of the period (column 4) must align with the SR open advances at the end of the previous reporting period (column 8)

5

NEW! SR Cash Reconciliation section is duplicated for the different funding sources.

Ensure to properly split SR open advances by funding sources on different tabs.

6

NEW! FX gains/losses are added to the SR Cash Reconciliation

Column 11 Net exchange gains/losses on translation of balances was added to the SR Cash Reconciliation and hence those should be adjusted here not in the PR Cash Reconciliation tab (4.2).

FCR content – Commitments and Obligations

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Funding source breakdown to split Commitments and Obligations by funding source

The reporting of Commitments and Obligations for the FCR will be pre-populated based on the information entered in the Commitments and Obligations listing section

> Errors and Warnings

Check data quality

Principal Recipient financial commitments obligations

Regular Funds C19RM Total

Item No.	Description	Previous financial reporting period	Current financial reporting period	1. Comment on cash flows 2. Outline the data source(s) 3. Provide any other contextual information
7.1a	PR total financial commitments	<input type="text" value="-"/>	<input type="text"/>	<input type="text"/>
7.1b	SR(s) total financial commitments	<input type="text" value="-"/>	<input type="text"/>	<input type="text"/>
7.2a	PR financial obligations		<input type="text"/>	<input type="text"/>
7.2b	SR(s) financial obligations		<input type="text"/>	<input type="text"/>
7.2c	Accrued severance		<input type="text"/>	<input type="text"/>
7.4	Total financial commitments & financial obligations		<input type="text"/>	<input type="text"/>

FCR content – Commitments and Obligations

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Common mistakes

1

At FCR stage, the commitments amount should be Zero. All adjustments are made to expenditures in the current period.

Adjustment can be made in the Commitments listing to show actual amounts for which the commitments were liquidated.

2

NEW! Commitments & Obligations section is duplicated for the different funding sources.

Attention to properly split commitments and obligations by funding sources on different tabs.

FCR content – Commitments and Obligations Listing

Cash Reconciliation	Open Advances	SR Cash Reconciliation	Commitments & Obligations	Commitments & Obligations Listing	Expenditure Report	Triangulation Controls	Tax Reporting	Non-compliant Expenditures
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Funding source breakdown to split listing details by funding source



There is no change in the listing of Commitments and Obligations.

#	Module	Intervention	Activity description	Cost Input	Implementers	Type of Implementer	Amount in IP currency	Delivery date	Payment date	Final payment amount	Approved exception	Comments
1	Prevention	Integration into national multi-sectoral responses of AGYW programs	test	1.2 Salaries - outreach workers, medical staff and other service providers	and	PR	2,342	06/06/2024	06/06/2024	1,231	21	
2	Select	Select	Select	Select	Select	Select		dd/mm/yyyy	dd/mm/yyyy			
3	Select	Select	Select	Select	Select	Select		dd/mm/yyyy	dd/mm/yyyy			

The commitment and obligations listing will populate the commitment and obligations tab.

- **Financial commitments** with type of implementer as **PR** will populate Item 7.1a
- **Financial commitments** with type of implementer as **SR** will populate Item 7.1b
- **Financial obligations** with type of implementer as **PR** will populate Item 7.2a
- **Financial obligations** with type of implementer as **SR** will populate Item 7.2b
- **Accrued Severance** will populate Item 7.2c

FCR content – Commitments and Obligations Listing

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Common mistakes

1

Separation of commitments and obligation based on delivery date is incorrect.

Commitments are goods and services delivered before the end of the Implementation Period.

Obligations are goods and services not delivered and not paid before the end of the Implementation Period but where a valid contract for execution existed.

AUP slippages are obligations that were approved by the Global Fund to be charged to the GC6 grant. AUP slippages are not commitments, however, can be expensed. AUP slippages must be marked as “agreed exception” in the obligations listing.

2

Exchange rate for commitments was not updated in the FCR.

At the Last PU commitments were booked at the rate on the period end date. However, for the FCR the rate on the day of liquidation should be applied on the final payment amount. The variance must be corrected in the expenditures.

3

New! Commitments & Obligations listing section is duplicated for the different funding sources.

Make sure to properly split commitments and obligations by funding sources on different tabs.

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The three-dimensional breakdown remains the same: cost group/cost input, module/interventions and implementing entities.

Regular Funds Other Non-Fungible Source Total

Cumulative expenditure at start of financial reporting period: 500,123
 Disbursed until the end of the reporting period: 12,100
 Opening cash balance at start of IP: 52,000
 Budget utilization: 375%
 Time elapsed: 70%

Breakdown by Costing Dimension

		Period				Cummulative Financial Reporting Period						
		Total	4,030	65,750	10,010	65	513,203	123,546	102,320	9,181	25	65
Item No.	Cost Input	Budget for the current financial reporting year	Expenditure for the current financial reporting period	Budget vs Expenditure variance for the current period	Absorption rate	Cumulative expenditure reported by PR up to the start of current financial reporting period	Cumulative Global Fund validated expenditure up to the start of current financial reporting period	Cumulative budget up to end of the financial reporting year	Cumulative Expenditure at the end of the current financial reporting period	Budget vs expenditure variance	Absorption	Explain cumulative period variances
1.1	Salaries - Program Management n/a	0	<input type="text" value="0"/>	0	0%	0	0	0	0	0	0%	<input type="text"/>
1.2	<input type="text" value=""/> n/a	0	<input type="text" value="0"/>	0	0%	0	0	0	0	0	0%	<input type="text"/>

+ Add

Costing Dimensions are populated based on the Full IP budget so that the PR can report on any expenditures that have been advanced compared to budget. In addition, it is possible to include costing dimensions that were not part of the original budget.

The PR only needs to enter the expenditure for the current period by cost dimensional items. The cumulative expenditure is calculated based on the previous reported amounts (from previous PUDR).

The PR is required to provide explanation to the variances of +/-15%.

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Common mistakes

1

Adjustments from previous reports need to be made in the periodic expenditure column

The current template only allows entries in the expenditure for the current period column. As such, corrections from previous reporting period should be adjusted in this column.

Check whether adjustment were made correctly in previous reports, as those could create expenditure cumulation errors. If those cumulation errors arise in the FCR, they must be corrected in this column.

2

Expenditures include non-compliant expenditures (including taxes)

Expenditure must be free from noncompliant expenditures (and taxes). However, the cash outflow should not be adjusted until the refund has taken place.

3

New! Expenditure section is duplicated for the different funding sources.

Attention to properly expenditures by funding sources on different tabs.

FCR content – Triangulation – Controls

Coversheet	Cash Reconciliation	Open Advances	SR Cash Reconciliation	Commitments & Obligations	Commitments & Obligations Listing	Expenditure Report	Triangulation Controls	Tax Reporting	Non-compliant Expenditures
------------	---------------------	---------------	------------------------	---------------------------	-----------------------------------	--------------------	------------------------	---------------	----------------------------

The Triangulation in the FCR has been enhanced to cater for the cumulative triangulation for the Implementation Period. The principle and calculation methodology remains the same and data from previous triangulations will be populated into the cumulative triangulation form.

The triangulation for the period is linked directly from the respective cells as reported by the PR in other tabs of the FCR.

The cumulative triangulation is calculated automatically.

Item No.	Description	Extracted from PUDRs					Principal Recipient		
		Year 1	Year 2	Year 3	Year 4	Year 5	Period	Cumulative	Comments
13.1	Cash balance: beginning of the current financial reporting period	0	3,336,440	0			15,654,686	0	
13.2	Open advances: beginning of the current financial reporting period	0	1,581,081	0			7		n/a
13.3a	Total IP income	22,029,228	19,715,839	22,029,228			1,202,290	0	
13.3b	Total refunds received						0	0	
13.4	Total expenditure per PR expenditure report	0	(21,736,165)	0			100,000,000	0	
13.5	Net change in total financial commitments from previous year	0	753,402	0			0	0	
13.6	Open advances at the end of the current financial reporting period	(6,374,542)	(1,109,141)	(6,374,542)			1,201,447	1,201,447	
13.7	Total reconciling adjustments	0	22,451	0			(4,887,450)	0	
13.8	Total expected PR closing cash balance	15,654,686	2,563,909	15,654,686			113,170,980	0	
13.9	Total cash balance in-country	15,654,686	2,563,909	15,654,686			5,112,045	0	
13.10	Triangulation variance to be reconciliated or reimbursed by PR	0	0	0			108,058,935.00	0	

The only input the PR needs to make is commentary to the various elements, if any.

The total unexplained variances will then be calculated accordingly.

FCR content – Triangulation – Controls

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The expenditure check serves as an arithmetic check on the cumulation of the expenditures, by cumulating standalone period expenditures and comparing them against the reported period expenditures to check if there was an error, which would need to be corrected.

Item No.	Description	Extracted from PUDRs					Principal Recipient		Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Period	Cumulative	
13.2	Expenditure Check								
13.2.1	Expenditure recognized for the year	0	21,736,165	0			(100,000,000)		
13.2.2	Cumulative expenditure as per check	0	21,736,165	0			(100,000,000)		
13.2.3	Cumulative expenditure as reported in Expenditure Report						(100,000,000)		
13.2.4	Variance	0	21,736,165	0			0		

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Common mistakes

1

Justification of variances are inadequate, incorrect or insufficient.

Section 13.1-13.10 are automated.

Section 13.11-13.15 are free to enter for justified variances. Pay attention to refunds previously not detailed in the PR Cash Reconciliation tab. Ensure those justified variances are indeed correct. Unjustified variances may be considered non-compliant.

2

Expenditure check section shows variance.

Section 13.2 on expenditure check must be free from variances; otherwise those cumulation variances need to be corrected in the Expenditure sheet.

3

Justification for adjustment to C19RM cash balance is not justified or incorrect.

Section 13.3. split of cash balance by funding source must be well justified if any figure in 13.3.5 adjustment to C19RM cash balance is entered.

4

New! Triangulation section is duplicated for the different funding sources.

However, the Triangulation for GC6 closure only, will not be split. For GC7, this tab will be split as the others.

FCR content – Triangulation – Controls

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- Cash Reconciliation
- Open Advances
- SR Cash Reconciliation
- Commitments & Obligations
- Commitments & Obligations Listing
- Expenditure Report
- Triangulation Controls**
- Tax Reporting
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The split of cash balance by funding sources generally contains automated cell except for the 13.3.5 Adjustment to C19RM cash balance field that is used for the examples mentioned previously.

Item No.	Description	Extracted from PUDRs					Principal Recipient		
		Year 1	Year 2	Year 3	Year 4	Year 5	Period	Cumulative	Comments
13.3.1	Opening cash balance C19RM								
13.3.2	Disbursement C19RM								
13.3.3	Expenditure C19RM 2020								
13.3.4	Expenditure C19RM 2021								
13.3.5	Adjustment to C19RM cash balance								
13.3.6	Closing Cash balance C19RM								
13.3.7	Closing Cash balance Regular Funds								

FCR content – Triangulation – Controls

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Section 13.3 – Cash balance split by funding source.

- For GC6 closures of grants which hosts C19RM funds, the **split of C19RM and HIV, TB and malaria (HTM) final closing balances** needs to be done as these funding sources have different rules governing their utilization.
- The former GC6 PUDRs tracked the disbursements and expenditures by funding source; however it did not request the split of other elements of the cash reconciliation by funding sources.

Therefore, the prescribed methodology for calculation of the cash balance split is first to derive the **C19RM cash balance as follows**:

C19RM opening cash balance
(+) C19RM disbursements
(-) C19RM expenditures
(=) C19RM closing cash balance.

In some cases, **adjustments might need to be made** to the above methodology to derive the correct C19RM closing balance, including the following two examples :

1. Compensation for C19RM 2020 disbursements:

For GC6 grants that started before June 2021, C19RM 2020 expenditures might also be included in the GC6 grant. Disbursements for those activities were not tagged and just captured as part of HIV, TB and malaria disbursements. The calculation will have to be adjusted for those **C19RM 2020 disbursements** not to distort the final C19RM cash balance.

2. Adjusting for any other reconciling items (e.g. forex):

In some cases, the PR might want to allocate some costs to C19RM. For example, if the PR identified large forex loss on translation, the PR might allocate part of it to C19RM not to penalize the HTM grant, or if the HTM grant has already ran out of funds. These adjustments and the calculation of those **must be agreed with the CT** prior submission of the FCR.

FCR content – Tax Reporting

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The tax reporting is now also required in the FCR. The overall information remains the same as in the PUDR, however the structure has changed for better understanding.

The information will still be provided by PR and SRs in grant currency. The totals are calculated automatically.

Grant Tax Exemption Status		Import Duties	No Exemption	Partial
Item No.	Description	PR	SR	TOTAL
12.1	Balance of Taxes Unrecovered at the start of the Reporting Period			0
12.2	Taxes Paid During the Reporting Period			0
12.3	Taxes Recovered from Tax Authorities during the Reporting Period			0
12.4	Closing Balance of Taxes Not Yet recovered from Tax Authorities	0	0	0
12.5	Total Taxes Reimbursed by Implementer to Grant Account during the Reporting Period			0
12.6	Total Taxes Reimbursed by Implementer to Global Fund during the Reporting Period			0
12.7	Balance of Taxes Unrecovered at the end of the Reporting Period	0	0	0

Tax information comments

Final Tax Statement for the Implementation Period

Period	Balance of taxes unrecovered at the start of the Reporting Period	Taxes paid during the Reporting Period	Taxes recovered from tax authorities during the Reporting Period	Total taxes reimbursed by Implementer to Grant Account	Total taxes reimbursed by Implementer to Global Fund	Total taxes remain unrecovered at end of the Reporting Period
null to null	0			0	0	
Jul-2021 to Mar-2022	0	80,143	0	0	0	80,143
Oct-2022 to Mar-2023	0	51,105	205,808	0	0	-154,703
Oct-2023 to Mar-2024	0			0	0	
Closure	0	0	0	0	0	0
Total	0	131,248	205,808	0	0	-74,560

Note: Unrecovered taxes are considered non-compliant. However, those should **not** be duplicated in the “Non-compliant Expenditures section.”

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Common mistakes

1

Tax exemption status is incorrect

The tax exemption status need to be correctly selected.

2

Taxes paid and recovered for the reporting period is incorrect

Taxes paid for all implementers and recovered either to the PR's account or to the Global Fund account must be correctly entered. Taxes are reported for the period and not cumulatively. Ensure not to duplicate taxes paid and recovered in the different periods.

Important note: 12.5 and 12.6 taxes reimbursed are new lines, hence the date for those items from previous years are not available for repopulation. Adjustments for those need to be made in the FCR for the current report, to properly show the final unrecovered taxes in the Tax Statement for the IP.

FCR content – Non-compliant Expenditures

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Funding source breakdown to split compliant expenditures by funding source.



In comparison to the GC6 PUDR template, section 10 on Non-compliant Expenditures has been simplified to only request the PRs to enter the non-compliant expenditures for the current reporting period and any comments to that.

Principal Recipient non-compliant expenditures in IP currency

Regular Funds	C19RM	Total
---------------	-------	-------

Item No.	Description	Current financial reporting period	1.Comment on cash flows 2.Outline the data source(s) 3.Provide any other contextual information
10.1	Non-compliant expenditures validated for the current financial reporting period	<input type="text" value="0.00"/>	<input type="text"/>

* NB. Unrecovered taxes are considered non-compliant. However, those should **not** be reported in this section, but rather in the Tax Reporting section.

FCR content – Non-compliant Expenditures

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Common mistakes

- Non-compliant expenditure reported must be correct.
- **Taxes should not be reported** in the non-compliant expenditure tab.

1

Taxes are duplicated in the non-compliant expenditure section.

Taxes should not be reported in the non-compliant expenditure tab, as those are reported in the Tax Reporting section.

2

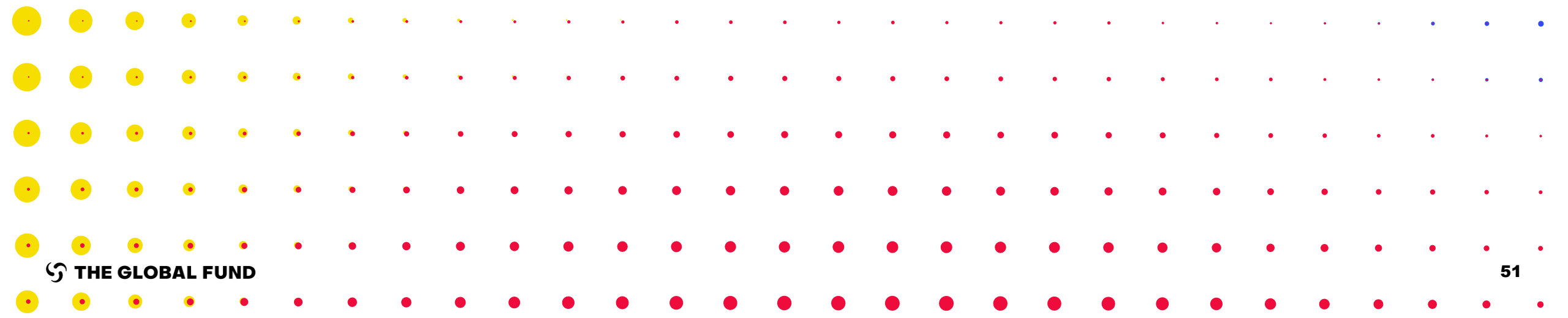
New! Non-compliant expenditure section is duplicated for the different funding sources.

Ensure to properly split non-compliant expenditures by funding sources on different tabs.



4

Progress Update (PU) Content



Overview of financial content included in the PU

Tabs included in the PU

PU	Coversheet	Coversheet – read only				
	Programmatic	Impact/Outcome Indicators*	Coverage Elementary Indicators**	Coverage Indicators	Work Plan Tracking Measures (WPTM)	
	Financial	Coversheet	Cash Reconciliation	Open Advances	Expenditure Report	Non-compliant Expenditures
	PSCM & Grant Management	Health Products	Grant & Risk Management	Self-Assessment		

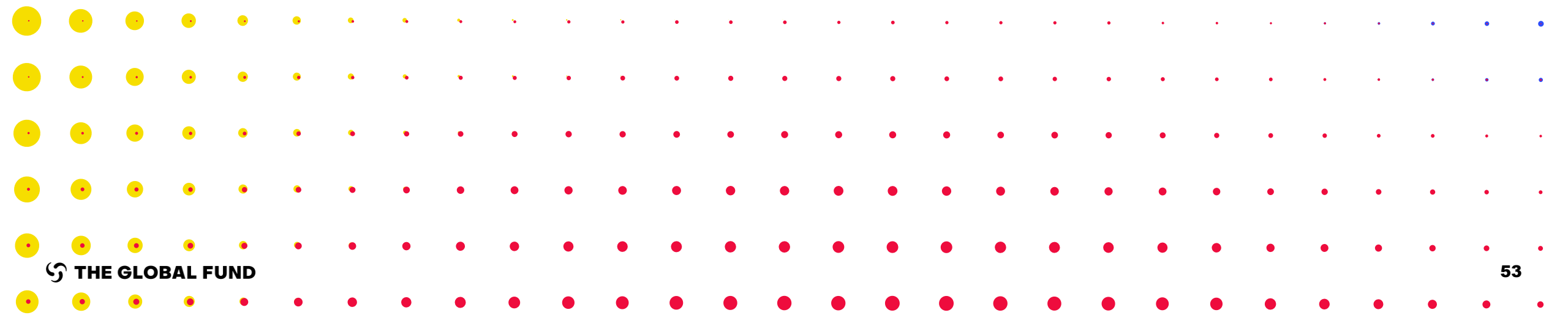
* Only appears with quarterly reported Outcome Indicators

** GC7 only



5

Next steps and resources



Weekly Clinics are scheduled to answers any additional questions

English

Every **Tuesday** between 30 July and 27 August
(inclusive)

10:00 – 11:30 (CEST)

[Link to join the clinic](#)

(Meeting ID: 970 7831 4900 | Passcode: 716947)

French

Every **Wednesday** between 31 July and 28 August
(inclusive)

10:00 – 11:30 (CEST)

[Link to join the clinic](#)

(Meeting ID: 991 6889 0524 | Passcode: 982602)

Resources

Resources	Links
Information Session: Progress Update	Presentation: English French Recording: English French
Information Session: Financial Reporting Closure	Presentation: English French Recording: English French
System Instructions	Instructions: PR Reporting Handbook (link forthcoming) Partner Portal Screen Preview: PU & FCR
Infographic	<ul style="list-style-type: none">• PU process• FCR process
Demos	<ul style="list-style-type: none">• PU: English French• FCR: English
Financial Management Resource page	Financial Management Resource page

Thank you



The presentation and recording of this session will be available on the Global Fund website soon:

<https://www.theglobalfund.org/en/information-sessions/>



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