GOVERNMENT OF IMO STATE OF NIGERIA

PROJECT FACILITATION FUND (PFF)

OPERATING MANUAL

Organization: Imo State Public Private Partnership

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1. Introduction

The Project Facilitation Fund (PFF) is established to provide controlled, timely and accountable financial resources required to facilitate approved project activities.

The Fund is intended to address legitimate project-related expenditures that require advance funding or rapid access to resources while maintaining appropriate financial, procurement, documentation and accountability controls.

This Operating Manual establishes the rules, procedures, responsibilities and controls governing the establishment, approval, disbursement, utilization, retirement, monitoring and reporting of the PFF.

The Manual shall be read together with the organization's approved financial, procurement, human resources, safeguarding, anti-fraud and other applicable policies.

2. Purpose of the Fund

The objectives of the PFF are to:

Facilitate timely implementation of approved project activities;

Provide controlled access to funds for legitimate project-related expenses;

Reduce delays associated with routine project expenditures;

Establish clear accountability for funds entrusted to staff or project teams;

Ensure that all expenditures are properly authorized, documented and recorded;

Strengthen financial controls and reduce the risk of misuse or diversion of project resources;

Support transparent financial reporting to management, funders and other stakeholders;

3. Scope

This Manual applies to:

All projects operating under the organization that are approved to use the PFF;

All employees, consultants, project personnel and other authorized persons who receive or administer PFF resources;

All departments involved in requesting, approving, disbursing, accounting for or monitoring PFF resources;

All PFF transactions regardless of the source of funding, unless a donor or contractual requirement imposes a stricter rule;

Where donor requirements, applicable laws or contractual conditions are more restrictive than this Manual, the stricter requirement shall apply.

4. Guiding Principles

The PFF shall be administered according to the following principles:

4.1 Accountability

Every person who receives or authorizes PFF resources shall be accountable for their proper use.

4.2 Transparency
All PFF transactions shall be supported by adequate documentation and be capable of independent verification.

4.3 Value for Money
Funds shall be used economically, efficiently and effectively for approved project purposes.

4.4 Segregation of Duties
Requesting, approving, paying, recording and reviewing transactions should, as far as practicable, be performed by different persons.

4.5 Timeliness
Funds shall be made available sufficiently early to support approved project activities while avoiding unnecessary cash holdings.

4.6 Compliance
All transactions shall comply with applicable laws, donor requirements and organizational policies.

4.7 Zero Tolerance for Fraud
Fraud, bribery, corruption, falsification of documents, unauthorized expenditure and diversion of funds are prohibited.

5. Definitions
For purposes of this Manual:
Project Facilitation Fund (PFF): A controlled pool of funds established to facilitate approved project activities.

Fund Custodian: An authorized person responsible for receiving, safeguarding and accounting for PFF resources.

Project Manager: The person responsible for overall implementation of an approved project.

Requestor: The employee or authorized project representative who initiates a PFF request.

Approving Authority: The person authorized under the organization's delegation of authority to approve a PFF transaction.

Advance: Funds provided before an activity or expenditure is incurred.

Retirement: The process of accounting for an advance by submitting supporting documentation and returning any unused balance.

Eligible Expenditure: An expenditure that is allowable under this Manual, the approved project budget and applicable funding conditions.

Ineligible Expenditure: An expenditure that is prohibited, unauthorized, unsupported or unrelated to an approved project activity.

6. Fund Structure and Sources
The PFF may be financed from:

i. Approved project budgets. Ii. Organizational funds allocated for project facilitation.
ii. Donor-funded project resources where permitted iv. Other legally and appropriately approved sources.

Each PFF allocation shall have:

A defined funding source; An approved budget or spending ceiling; A designated project or cost centre; An accountable officer/custodian; Appropriate accounting codes. Funds from different restricted projects shall not be mixed where such mixing would breach donor or contractual requirements.

7. Eligible Uses of the Fund
Subject to approved budgets and applicable policies, the PFF may be used for legitimate project-related expenses including:

i. Project meetings and workshops; ii. Field activities iii. Local transportation directly related to project activities iv. Approved accommodation and subsistence v. Venue and logistical costs vi. Printing and project materials.

vii. Communication costs related to project implementation viii. Minor operational expenses necessary to facilitate approved activities ix. Approved stakeholder engagement expenses x. Other expenses specifically authorized under the project budget.

All expenditures must be reasonable, necessary, properly authorized and supported by appropriate documentation.

8. Ineligible Uses

PFF resources shall not be used for:

i. Personal expenses ii. Personal loans or advances iii. Political campaign contributions or partisan political activities.

iii. Alcoholic beverages unless expressly permitted by applicable organizational and donor rules.
iv. Fines, penalties or personal liabilities.
v. Expenses unrelated to the approved project.
vi. Unauthorized gifts or benefits.
vii. Transactions intended to circumvent procurement or approval thresholds.
viii. Payments without adequate supporting documentation, except where an approved exception procedure applies.
ix. Any expenditure prohibited by law, donor requirements or organizational policy.

9. Governance Structure
The PFF shall operate within the organization's established governance framework.

9.1 Executive Authority
Where applicable, the State Executive Council shall:

Approve the establishment of the PFF.

Approve major policy changes.

Exercise overall oversight.

9.2 Management
Management shall:

Approve PFF operational arrangements.

Establish spending and approval limits.

Ensure adequate resources and controls.

Review periodic PFF reports.

Address significant control weaknesses.

9.3 Finance Department
Finance shall:

Maintain appropriate accounting records.

Review requests for financial compliance.

Process approved payments.

Reconcile PFF accounts.

Monitor outstanding advances.

Prepare financial reports.

Conduct financial reviews.

9.4 Project Management
Project Managers shall:

Prepare and submit approved activity plans and budgets.

Ensure that requests relate to approved activities.

Monitor expenditure against project budgets.

Ensure timely retirement of advances.

Report irregularities.

9.**5 PFF Custodian**
The Custodian shall:

Safeguard funds.

Maintain accurate records.

Release funds only against approved documentation.

Maintain a transaction register.

Ensure timely retirement of advances.

Report discrepancies immediately.

10. Delegation of Authority
The organization shall establish and approve PFF authorization thresholds.

No person shall approve their own request.

Where an approving officer is unavailable, an authorized alternate may approve in accordance with the organization's delegation of authority.

Approval limits shall not be deliberately split across multiple transactions to avoid an approval threshold.

11. PFF Request Process
All PFF requests shall follow the approved request process.

Step 1: Activity Identification
The Project Manager identifies an approved project activity requiring PFF support.

Step 2: Request Preparation
The Requestor completes a PFF Request Form containing:

Project name/code.

Activity description.

Date and location.

Amount requested.

Budget line.

Purpose of expenditure.

Expected beneficiaries/participants, where applicable.

Supporting documents.

Proposed retirement date.

Step 3: Budget Verification
Finance or the designated budget holder confirms that sufficient budget is available.

Step 4: Approval
The request is submitted to the appropriate approving authority.
Step 5: Payment
Finance processes the payment after confirming that all required approvals and supporting documents are complete.

Step 6: Activity Implementation

The funds are used exclusively for the approved purpose.

Step 7: Retirement
The recipient submits expenditure documentation and returns unused funds within the prescribed period.

12. Advance Management

PFF advances shall be issued only when justified by the nature of the project activity.

The following controls shall apply:

i. An advance shall not be issued without proper approval.

ii. Outstanding advances shall be monitored.

iii. A person with an overdue advance should not normally receive another advance unless an exception is approved in writing.

iv. Advances shall be retired within [5/10/15] working days after completion of the activity.

v. Unused funds shall be returned promptly.

vi. Outstanding advances shall be included in periodic management reports.

13. Retirement of Funds

Every PFF advance must be retired using an approved PFF Retirement Form.

The retirement package should include, as applicable:

i. Original receipts/invoices
ii. Payment evidence.

iii. Attendance sheets.

iv. Activity reports.

v. Approved participant lists.

vi. Travel documentation.

vii. Procurement documentation.

viii. Other evidence demonstrating that the expenditure occurred.

Ix. The retirement shall reconcile:

ix. Amount Advanced = Eligible Expenditure + Amount Returned

x. Any discrepancy shall be investigated and resolved.

14. Supporting Documentation
Documentation must be sufficient to establish:

i. What was purchased or paid for.

ii. Why it was required.

iii. Who authorized it.

iv. When and where the transaction occurred.

v. How much was paid.

vi. Who received the funds or goods/services.

vii. Which project or budget line was charged.

viii. Where original documentation is unavailable, a written explanation and approved alternative evidence may be required, subject to organizational policy.

ix. Repeated missing documentation shall be treated as a control concern and may result in suspension of PFF access.

15. Procurement Requirements
i. PFF expenditure does not exempt a transaction from procurement requirements.

ii. All procurement shall comply with the organization's procurement policy.

iii. Depending on value and nature, procurement may require:

iv. Competitive quotations.

v. Supplier comparison.

vi. Purchase requisition.

vii. Purchase order.

viii. Contract.

ix. Due diligence.

x. Conflict-of-interest declaration.

xi. Evidence of receipt of goods or services.

xii. Emergency procurement procedures may apply where circumstances genuinely prevent normal procurement procedures. The reason for the emergency shall be documented and approved.

16. Cash Management
Where cash is used, the organization shall establish an appropriate cash limit.

The Custodian shall:

i. Keep cash in a secure location.

ii. Restrict access to authorized persons.

iii. Maintain a cashbook or transaction register.

iv. Count cash periodically.

v. Reconcile physical cash with recorded balances.

vi. Report shortages or surpluses immediately.

vii. Cash should be minimized where secure electronic payment methods are available.

17. Banking and Electronic Payments
Where feasible, PFF payments should be made through approved bank or electronic payment channels.

Electronic payments shall:

i. Be supported by approved documentation.

ii. Use authorized organizational accounts.

iii. Be approved according to the delegation of authority.

iv. Be reconciled to accounting records.

v. Personal accounts should not be used to hold organizational PFF funds except where specifically authorized under an approved procedure and applicable law.

18. Conflict of Interest

i. Persons involved in PFF decisions shall disclose actual, potential or perceived conflicts of interest.

ii. An employee shall not participate in approving or procuring from a business in which they or an immediate related party has an undisclosed financial interest.

iii. Any disclosed conflict shall be managed in accordance with the organization's conflict-of-interest policy.

19. Fraud, Corruption and Misconduct

The following are prohibited:

i. Falsifying receipts.

ii. Inflating expenditure.

iii. Creating fictitious beneficiaries or suppliers.

iv. Diverting project funds.

v. Receiving undisclosed commissions or kickbacks.

vi. Colluding with suppliers.

vii. Using project funds for personal purposes.

Viii. Deliberately concealing transactions.

viii. Splitting transactions to avoid approval requirements.

ix. Suspected fraud shall be reported through the organization's approved reporting mechanism.

Management shall ensure that reports are appropriately investigated and that corrective measures are implemented.

20. Monitoring and Review

Finance and project management shall periodically review PFF operations.

Reviews may include:

i. Budget versus actual expenditure.
ii. Outstanding advances.
iii. Timeliness of retirements.
iv. Supporting documentation.
v. Compliance with approval limits.
vi. Procurement compliance.
vii. Cash reconciliations.
viii. Unusual or high-risk transactions.
ix. Repeated exceptions.

The frequency of review shall be determined by the organization's risk profile but should occur at least quarterly.

21. Internal Audit

Internal Audit, where established, may independently review PFF operations.

The review may assess: Compliance.; Financial accuracy.; Internal controls.; Procurement.; Documentation.; Fraud risks.; Effectiveness of management oversight.

Audit findings shall be documented, assigned to responsible officers and followed up until resolved.

22. Reporting

The Finance Department shall prepare periodic PFF reports for management.

Reports should include: Opening balance, Funds received, Funds disbursed, Expenditure by project, Outstanding advances, Amounts returned, Closing balance, Exceptions and unresolved issues.

Material irregularities shall be reported promptly rather than waiting for the normal reporting cycle.

23. Record Keeping

All PFF records shall be maintained in accordance with the organization's document-retention policy and applicable legal requirements.

Records should include: Approved budgets, PFF requests., Approval records., Payment evidence., Receipts and invoices., Retirement forms., Activity reports., Reconciliations. Procurement records., Monitoring reports., Audit reports., Exception approvals. Electronic records shall be protected against unauthorized alteration or deletion.

24. Exceptions

Exceptions to this Manual shall be: Justified by specific circumstances., Documented in writing, Approved by an authorized officer, Time-bound where appropriate.
Reported to Finance/Management.
An exception shall not be used to circumvent controls or repeatedly permit non-compliance.

25. Non-Compliance

Failure to comply with this Manual may result in:

Rejection of expenditure; Requirement to refund funds.
Suspension of PFF access.; Recovery from responsible persons where legally permissible.; Disciplinary action.263+Investigation. Referral to relevant authorities where required.

The response shall be proportionate to the nature and seriousness of the violation.

26. Risk Management

Key PFF risks shall be identified and monitored.

Risk	Key Control
Misappropriation of funds	Segregation of duties and approval controls
Unsupported expenditure	Mandatory documentation
Budget overruns	Budget verification
Late retirement	Advance-aging reports
Fraudulent receipts	Verification and review
Procurement abuse	Procurement thresholds and competitive processes
Unauthorized expenditure	Delegated approval limits
Cash loss	Secure custody and regular reconciliation
Conflict of interest	Disclosure and independent approval
Donor non-compliance	Compliance review against funding conditions

27. Performance Indicators
Management may monitor the following indicators:
Percentage of advances retired on time.; Number and value of overdue advances.
Percentage of transactions with complete documentation.; Number of policy exceptions.
Number of audit findings.; Percentage of audit findings resolved.
Average processing time for approved PFF requests.; Number and value of suspected irregular transactions.

28. **Review and Amendment of the Manual**
This Manual shall be reviewed at least every 36 months or whenever there is:

A significant change in organizational structure.; A change in applicable law.
A change in donor requirements.; A significant audit finding.; A material change in project operations.; A change in the organization's financial control framework.
Amendments shall be approved by the designated authority.

29. Effective Date
This Manual becomes effective on [Effective Date] upon approval by [Approving Authority].

All previous procedures governing the Project Facilitation Fund shall be superseded to the extent that they conflict with this Manual.

30. Approval

Name	Position	Signature	Date
[Name]	Chairman Fund Mgt Committee Executive		
[Name]	Finance Director		
[Name]	Program/Project Director		

ANNEXES
Annex 1: Project Facilitation Fund Request Form
Project: ___________________________
Project Code: ______________________
Requestor: _________________________
Department: ________________________
Activity: __________________________
Activity Date: _____________________
Amount Requested: __________________
Budget Line: _______________________
Purpose: ___________________________
Expected Retirement Date: ___________

Requestor Declaration:
I confirm that the funds requested are required for an approved project activity and will be used only for the stated purpose.

Signature: ____________________ Date: ___________

Budget Verification:
Verified by: ____________________ Date: ___________

Approval:
Approved by: ____________________ Date: ___________

Annex 2: PFF Retirement Form
Project:
Advance Recipient:
Advance Amount:
Date Received:
Activity Date:

Description	Amount
Approved Expenditure	[Amount]
Total Expenditure	[Amount]
Amount Returned	[Amount]
Total Accounted For	[Amount]

I certify that the expenditure reported above relates to the approved project activity and is supported by the attached documentation.

Recipient Signature:

Date:

Finance Review:
Date:

Annex 3: PFF Cash Reconciliation
Date:
Custodian:

Description	Amount
Recorded Cash Balance	
Physical Cash Count	
Difference	
Explanation of Difference	

Prepared by:
Reviewed by:

Annex 4: PFF Advance Register

Date	Recipient	Project	Amount Advanced	Activity Date	Retirement Due	Amount Retired	Balance	Status

Annex 5: Minimum Document Checklist
Before a PFF transaction is closed, Finance should verify:

Approved PFF request.

Approved budget.

Appropriate authorization.

Evidence of payment.

Original/acceptable receipts.

Procurement documentation, where applicable.

Attendance/participant documentation, where applicable.

Activity report.

Evidence of return of unused funds.

Correct accounting/project code.

Finance review completed.

Annex 6: PFF Process Flow
Project Activity Identified
↓
PFF Request Prepared
↓
Budget Availability Confirmed
↓
Approval Obtained
↓
Finance Review
↓
Funds Disbursed
↓
Project Activity Implemented
↓

Supporting Documents Collected
↓
Advance Retired
↓
Finance Verification
↓
Accounting & Reconciliation
↓
Management Monitoring/Reporting

Annex 7: PFF Control Checklist
Management shall periodically confirm that:

- PFF funds are used only for approved activities.
- Approval limits are respected.
- No employee approves their own request.
- Outstanding advances are monitored.
- Retirements are completed within the prescribed period.
- Supporting documents are complete.
- Procurement rules are followed.
- Cash balances are reconciled.
- Exceptions are documented and approved.
- Fraud risks are monitored.
- Reports are submitted on time.
- Audit findings are addressed.