

FINCAPES Collaborative Study Program Financial Management Standard Operating Procedures

The FINCAPES Collaborative Study Program Financial Management Standard Operating Procedures (SOPs) have been designed to ensure compliance with Global Affairs Canada (GAC) financial regulations, and those of the University of Waterloo. The SOPs are required to enable University of Waterloo/FINCAPES to maintain effective control and accountability for funds, to safeguard assets, and ensure funds are used for appropriate and authorized purposes only. Internal controls should be documented and reviewed for adequacy on a periodic basis. Effective control requires current, accurate, and complete disclosure of budgeted and actual outlays made in pursuance of FINCAPES Collaborative Study Program objectives.

I. Budget Category Requirements

This section outlines the Budget Category Requirements for the FINCAPES Collaborative Study Program, detailing the necessary protocols and documentation for various types of expenditures. Each category—from service providers and equipment to supplies, travel, and other relevant costs—has specific guidelines to ensure expenditures are directly related to the study, fully documented, and compliant with both GAC and University of Waterloo/FINCAPES financial requirements.

- A. **Service Providers e.g., Grad students, tech consultants, local labor, liaisons:** Service Providers/Consultants costs must be supported by a consulting agreement that documents the service to be performed, cost, and applicable time periods. These agreements must be executed through the FINCAPES/UW office. Documentation to support need, reasonability of rates, and consultant expertise must be maintained, together with evidence of the work product, or deliverables. Timesheets may also be required.
- B. **Equipment:** Equipment purchased must be included in the collaborative study proposal for approval. Costs may be charged directly for items fully dedicated to the project only, and for items which will be considered consumed (*habis paka*) by end of Collaborative Study. Costs associated with items for personal use are not allowable. In all cases, FINCAPES Procurement Regulations must be followed. Equipment items will be considered/approved on a case-by-case basis.
- C. **Supplies:** Supplies may be charged directly if used solely for FINCAPES Collaborative Study activities. Documentation in the form of invoices or payment receipts must be maintained and submitted. FINCAPES Procurement requirements must be followed.
- D. **Travel:** Any collaborative study-related travel must be included in the Collaborative Study proposal and supported by travel expense reports detailing: traveler name, itinerary, reason for trip, and the itemized expenses claimed. All expenses must be supported by

receipts and will be reviewed for eligibility prior to payment. Claims must comply with FINCAPES and University of Waterloo travel guidelines.

- E. **Other:** Any other relevant costs may be charged only if they pertain to FINCAPES Collaborative Study Program activities and have been included in the approved collaborative study proposal. Costs must be supported by adequate documentation (invoices, receipts, etc.) and follow associated FINCAPES procedures.

II. FINCAPES Collaborative Study Program Financial Reporting

This section provides a comprehensive overview of the Financial Reporting requirements for the FINCAPES Collaborative Study Program, covering various aspects of financial management.

For the utilization of these funds, adherence to the following is required:

A. Timing of Financial Reports

A detailed budget, by expense category, is required from each service provider (study funding recipient). The budget must be submitted and approved prior to the proposal being approved. Budgeted costs should be supported by detailed estimates of costs and include anticipated direct costs.

B. Consistent Reporting

Costs must be consistently reported in a professional manner. Project budgets and actual expenditures should be categorized and detailed according to specific cost categories. Additionally, the financial report corresponding to the preceding payment must be submitted and approved before any subsequent payment requests can be processed.

Note: Please ensure that the reporting template accurately reflects the GAC coding, such as 60140, 60310, etc., as outlined in the expense claim format.

C. Supporting Documentation

Costs must be adequately supported by source documents (timesheet, invoices, purchase requisitions, payment receipts, etc.) and be available with invoice requests.

D. Subrecipients and Contracts

Arrangements with any sub-recipients or any contracts required per the approved proposal must be arranged through the FINCAPES office before any such arrangements are implemented.

E. Program Audits

Program audits, performed in accordance with FINCAPES Financial Management SOPs, will be conducted from time to time. Collaborative study proposal recipients are required to cooperate with and facilitate such audits.

*Note: The FINCAPES Collaborative Study Program does not allocate funds for, nor does it include a budget line-item for **indirect costs**. Consequently, indirect costs are not permissible under this program. All financial charges submitted for reimbursement must be direct costs associated with the project.*

III. Terms of payment:

This section delineates the Terms of Payment for the FINCAPES Collaborative Study Program, specifying the structured payout schedule associated with key milestones within the contract. It outlines a phased payment approach where:

- A. **First Term Invoice** - 50% of the payment will be made once the contract is fully executed by all required signatories.
- B. **Second Term Invoice** - 30% of the payment will be made following the submission of a comprehensive report that demonstrates substantial progress in the study. This report must include documented evidence of actual costs and expenses incurred during the first term.
- C. **Final Term Invoice** - 20% of the payment will be made upon the completion of the following requirements:
 - 1. Submission of a detailed final financial report that summarizes all documented actual costs and expenses incurred throughout the duration of the contract.
 - 2. Satisfactory completion of all tasks associated with the project and submission of a comprehensive final report on the study (or paper).
 - 3. Delivery of all agreed deliverables specified in the FINCAPES Collaborative Study contract.

About FINCAPES

The Flood Impacts, Carbon Pricing, and Ecosystem Sustainability (FINCAPES) project is a collaborative, gender-responsive initiative funded by Global Affairs Canada. Over a 5.5-year period, jointly undertaken by the University of Waterloo's Faculty of Mathematics and Faculty of Environment, the project supports Indonesia in adapting to climate change, mitigating its impacts, and conserving biodiversity in a socially and economically sustainable manner. Aligned with Indonesia's priorities, FINCAPES enhances the nation's capacity in key areas: forecasting and mitigating financial impacts of climate-change-induced floods, promoting Nature-based Solutions for peatland and mangrove restoration, and strengthening climate finance policy frameworks with a focus on carbon financing mechanisms.

Contact us:

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