Subject: Procedure of Cash Payments to Participants in Meetings and Workshops

Financial accountability is a major imperative of project management and all staff have an obligation to ensure the appropriate use of financial resources and to adequately document all transactions conducted. The handling and oversight of financial resources entails serious responsibilities that all staff must properly perform.

To strengthen financial management and due to the risks, which can result from cash payments, payment to the recipients via bank transfer is the preferred modality.

In cases when bank transfer is not possible and cash payment is opted for, either through service provider or as project cash advance (PCA), the appropriate procedures should be imperatively followed to ensure proper handling of cash and payment to the eligible persons. Payment to any ineligible person is a serious mistake and can be considered as a fraud.
To avoid any such situation, all Country Office and project staff are requested to strictly comply with the following:

**Checking the Validity of Recipient**

Service provider or PCA custodian has responsibility to check the validity of recipient. The PCA custodian or service provider must check whether the four criteria below are met:

1. The payee is listed in the invitation list.
2. The payee shows ID card. The photo in ID card should match with the payee.

3. The payee should be listed on the attendance list
4. The payee’s signature in the receipt should match with the signature in attendance list

If any of the four criteria is not met, then the person is ineligible to receive the payment.
PROCEDURE OF CASH PAYMENT TO PARTICIPANT

1. Eligibility test (responsibility of cash custodian):
   a. Payee is listed in the invitation list
   b. Payee shows ID card. Photo is matched
   c. Payee is listed on the attendance list
   d. Payee’s signature in the receipt should match with signature in attendance list and ID card

2. Take picture of original ID card (photo is dated) (responsibility of cash custodian)

3. Check the signature in receipt, attendance list and ID card (responsibility of cash custodian)

4. Collect all supporting documents (receipts, invoices, boarding pass, e-ticket, printed photo of ID card, soft file of photo original ID card (dated), photo of activities, original attendance list, group photo, budget, TOR, agenda) (responsibility of cash custodian)

5. Prepare the expenditures report and anti-fraud statement sentences
COMMON MISTAKES

1. Photo of original ID card has no date
2. Inconsistent/different signatures on the payment receipt, attendance list and ID card
3. Missing boarding pass.
4. Missing TOR.
5. Missing mileage to verify out-town transportation.
6. No date written on payment receipt.
7. Variations in the use of old Harmonized Cost Rate vs new Harmonized Cost Rate.
8. Wrong calculation of total amount on payment receipt.
9. Wrong amount given/recorded for contributors (resource person, moderator etc.).
10. Invoices/bills are not signed/verified with 'services/goods satisfactorily rendered'.
11. Phone number and email addresses are not written on attendance list.
12. Certain payment does not tally/not included on the budget plan.
13. Payment receipt is crossed (dicoret2) or tip-x
DIFFERENT SIGNATURE

It is the responsibility of custodian to ensure that the signature in receipt, attendance list and ID card is the same. This procedure needs to be done on the spot when the participant comes to the event and receives the payment.

If the signature is different, Finance unit will conduct the confirmation procedure.

To avoid unnecessary hassle, custodian and PIC should perform their duty above.

It is not allowed to sign either in receipt, attendance list or other document on behalf of the participant. This act is categorized as fraud.