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SUOMI
FINLAND



PROJECT ADMINISTRATION MANUAL (PAM)

January, 2024



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CHAPTER ONE: INTRODUCTION

A. Purpose of the Project Administration Manual (PAM)

This manual describes the objectives, policies and guidelines for the project administration and financial management in the bi-lateral project co-funded by the Government of Nepal (GoN), Government of Finland (GoF), and European Union (EU). Sustainable WASH for All (SUSWA) is referred to as “the Project” in this document. The manual explains administration rules, personnel policies, financial management and working procedures in Project Support Unit (PSU) as the Technical Assistance (TA) operations. These rules and procedures are binding for all Long-terms, Short-terms, National and International individuals under “Probation Period Contract”, “Employee Contract” or “Consultancy Contract” by TA consultant, NIRAS Finland OY.

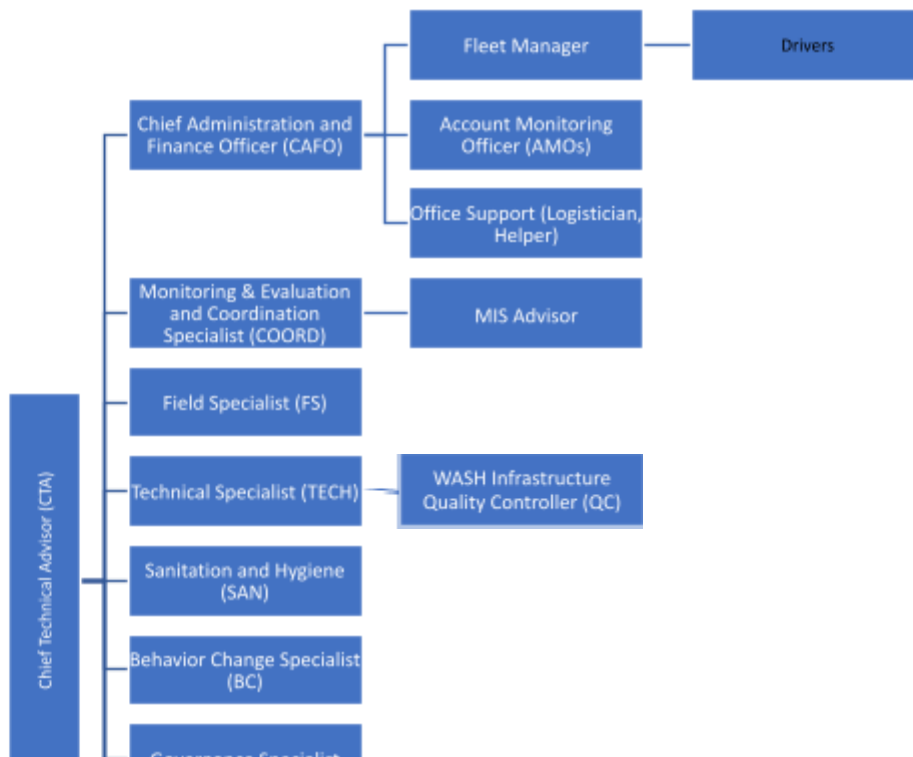
This manual will be effective from the date of endorsement/approval by the NIRAS Finland for TA Budget. Any changes in the project policy related to project administration and financial management will be updated to this manual as and when needed.

B. PSU Organization Structure

The Project Support Unit (PSU) coordinates the municipality level project activities, supports monitoring, facilitates training and other capacity building activities to enhance and strengthen the capacity of project municipalities and staff. PSU provides limited logistics support services to the municipalities and local partners. All such requests for logistic services shall be forwarded to the project administration in written form. The Chief Administration and Finance Officer (CAFO) is responsible for these services including obtaining approval from CTA. In absence of CAFO, the person assigned by CTA shall act as the Chief of Administration.

PSU is led by the Chief Technical Adviser (CTA), who heads the TA team. Specific Task Forces and Thematic Groups will be formed by CTA to develop approaches, guidelines, policies, and strategies as needed. PSU coordinated activities funded directly from TA-budget headings will be planned, supervised, managed and reported by the CTA.

The PSU organization structure is demonstrated below:



C. Home Office Support

The Home Office (Helsinki, Finland), represented by the Home Office Coordinator (HOC) and assisted by the Financial Controller (FC), takes care of all the Project matters as regards to the TA-consultant (NIRAS) and the MFA, Finland. FC is responsible for financial information and invoicing from MFA, as well as for money transfers from Helsinki to PSU, after the approval of disbursement plan by HOC.

CTA coordinates and collaborates with HOC and CAFO coordinates with FC in relation to administrative and financial matters.

D. Project Permanent Account Number (PAN)

For the purpose of tax administration, the project is registered at the relevant Inland Revenue Office under the Department of Inland Revenue- The Permanent Account Number (PAN) is 201412264. All employees and national consultants must also obtain their individual PAN.

E. Taxes

The Project will deposit all the income taxes collected from the employees and consultants and TDS deducted for any procurement through their own PAN to the relevant Inland Revenue Office. For the bank payments made in PSU, 1.5% TDS is deducted at Source of Bill Amount in VAT Bills, and 15% TDS is deducted at total amount in procurements without VAT bills or PAN bills such as service procurement.

For this project, there is nothing mentioned about the VAT exemption in the agreement between Nepal and Finland; the VAT will be paid by the project and included in the invoicing of the reimbursable costs.

CHAPTER TWO: PROJECT ADMINISTRATION

A. General Administration

1. Management Team

The Management Team (MT) will support PSU in operational and financial management activities of TA. The composition of PSU MT includes:

- ✓ Technical Assistance Team Leader/Chief Technical Adviser: Chair
- ✓ PSU Specialist/COORD assigned to the role of Deputy Team Leader: Member Secretary
- ✓ Chief Administrative and Financial Officer: Voting-Member
- ✓ Field Specialist: Voting-Member

2. Acting-CTA

CTA nominates the Acting-CTA/Deputy Team Leader in PSU in writing, in case CTA will be absent for more than two weeks. The project Monitoring and Evaluation/Coordination Specialist will be the most obvious position to take this role but, if necessary, CTA can assign another national expert on this role. The Acting-CTA:

- ✓ Cannot hire/fire staff
- ✓ Cannot agree on major policy changes or changes in facilities,
- ✓ Cannot sign items that have not been included in the work plans/procurement plans
- ✓ Cannot have major financial implications

unless these were specifically agreed in advance in writing with the CTA.

3. PSU Protocols and Disciplinary Guidelines

The project management is committed to create a working environment that supports its employees (both staff under “work contract” and individual consultants) for the best possible performance. PSU will focus on establishing proper administration and communication systems to ensure good relationships between the project management and the employees. The Project expects high level of professional commitment and moral conduct from its employees. Each individual must follow the rules, principles, values, employee expectations, behaviours, and relationships mentioned in

- ✓ **Annex 1: SUSWA Code of Conduct,**
- ✓ **Annex 2: NIRAS Integrity Management System**
- ✓ **Annex 3: Basic Operating Guidelines (BoGs)**

Any act of misconduct, or failure to complete the duty assigned in written, shall result in a disciplinary action. CTA may decide, depending on the seriousness of misconduct, to have informal discussion and provide oral warning to the concerned personnel, or involve the MT and take formal action.

Formal action for the above matters will be taken in writing. The first warning letter will be issued for improvement of behaviour with a specified time period. Second (and at the same time last) warning letter will then be issued over a specified time period. If the nature, habits and behaviour of the employee remain unchanged or do not improve even after the above period, the Project will terminate the contract and dismiss the employee.

Warning letters will be issued by CTA with a copy to administration for personal filing. The staff shall have the right of reply and/or provide an explanation within 7 days to CTA. Dismissal letter can only be issued by CTA.

4. Communication Network

The project shall assign a person/staff to support IT services, network and web-site development, and to assist employees in installation of software and solving other IT/computer related issues. S/he is responsible for regular maintenance of project computers, scanners and printers. Such activities alternatively can be outsourced by PSU to a reliable firm under service contract.

Project Employee must be responsible for:

Communication Tools	Employee Responsibilities
Personal Desktop/Laptop	<ul style="list-style-type: none"> -Good Care and careful handing, maintaining them with free from viruses -Well protect by password keys -Not download any unlicensed software, hacked files and unnecessary software -Schedule Regular Laptop Hygiene -Download Slack for internal communication, and be well trained in google cloud, and mirror laptop with smartphone
Tablet/Smartphone	<ul style="list-style-type: none"> -Good Care and careful handing, maintaining them with free from viruses -Well protect by password keys -Download Slack for internal communication, and be well trained in google cloud, and mirror smartphone with laptop
Satellite phones	<ul style="list-style-type: none"> -Good Care and careful handing -Maintain Satellite Phone Logbook -Must be used only in emergencies -As an exception, use the phone every three months in most remote areas to check the connection
Websites/social media	<ul style="list-style-type: none"> -Repost the posts in social media, share the websites to the social circles -Contribute materials to be posted in social media

The individual employee will be responsible for the damage to their computer or smartphones caused by careless use or handling such as power shocks not properly prevented or losing computers or cell phones etc.

5. Security

This section is supported by Security and Emergency Preparedness Plan and BoGs. CTA is always the security focal point to the Embassy of Finland. Following the one-door policy to administration, CAFO acts as the security and disaster risk preparedness coordinator. The main roles and responsibilities of project employees in safety and security matters are:

CTA Responsibilities	CAFO Responsibilities	MWA Responsibilities
-Receive, provide and distribute information between project and MFA	-Receive, provide and distribute information between PSU and Municipalities	-Receive, provide and distribute information between PSU and Municipal-based staff
-Act as a security contact for all international experts.	-Analyse Incident Reports and bring it to MT	-Coordinate with the security officers at the municipality levels, and arrange security during visitors' field visits
	-First person to contact insurance company	
	-Ensure all emergency communication facilities are operational and well maintained	

Refer **Annex 4: Security and Emergency Preparedness Plan** for the roles and responsibilities as well as line of action for various security related incidents.

6. Incident Reporting

Any major violations of BOGs, security related incidents and accidents have to be reported to CTA and to the CAFO using **Annex 5: Incident Reporting Format** within 24 hours upon arrival to normal duty station or at PSU. All accidents that need medical attention to persons and/or have insurance implications (e.g., road accidents) must be reported immediately to the CAFO. The reporter will indicate in the Incident Report whether the report is confidential or not. Field level staff may report through the Municipality WASH Advisor, but in sensitive and/or confidential cases can also report directly to CTA.

7. Office Assets Insurance

The Project assets will be insured to cover risk of non-consumable goods from fire, terrorism and burglary and engineering lost as per the policy of the Insurance Company. It covers according to the value as per the recommendation of the evaluation team and the existing depreciation deduction rules. The following considerations will be applied for such insurance claims:

- a) Office will inform the Insurance company and report to the police station for any kind of such losses of office assets which are properly located. The loss or damage that happens out of a regular location/station of assets will not be fit for insurance claim.
- b) The loss or damage of items during the travelling period will not be covered by the insurance company. Each employee will be responsible for reporting the lost or stolen items to police authorities and need to submit a report to PSU for further processing. If the lost item is not found, the replacement of the item will be negotiated case by case.

- c) Negligence and inappropriate handling of such high-value equipment as laptop computers will have to be replaced by the person responsible for loss or damage.
- d) Any office items damaged or lost during leave cannot be compensated. The depreciation rate as prescribed by the Income Tax Act, 2058 of Nepal is used as a standard basis when valuing goods for instance when property has been lost or damaged, and need to be compensated to the project.

8. Municipality Offices

The project in coordination with the municipalities will arrange an office space for Municipal WASH Advisors at the municipality office. In case this could not be arranged, the Municipal WASH Advisors shall arrange one room as an office with good electricity and internet connection from rent allowance provided to them by the project. The Project will pay for the purchase of basic office furniture, initial wireless set up and additional items to them within the approved budget.

9. Caretaking

Cleaners in the office premises will be responsible for daily cleaning and minor maintenance. They must notify their superior or CAFO if some purchase for their work is needed (e.g., washing liquids, toilet papers, soaps etc.) or if some place needs repairs.

10. Refreshments

The PSU will manage a mini kitchen for serving tea and coffee to the employees and visitors. Tea and coffee will be considered office expenses.

11. Meeting and Events

Only agreed and necessary costs can be covered and a list of participants needs to be collected in every event and meeting. Any meeting costs not covered by the Programme budget, i.e. paid by NIRAS, have to be pre-approved by the HO.

B. Procurement Policies

1. General Principles of Procurement

Procurement using the Technical Assistance (TA) and related funds must follow the Government of Finland (GoF)'s rules and are subject to auditing accordingly. SUSWA TA applies to the stricter Government of Nepal (GoN) procurement rules as long as they do not contradict with the Finnish rules.

As a reference to Nepal Public Procurement Regulation, Chapter 7, Clause 84 and 85; the table below shows the comparative thresholds in this PAM and in GoN rules:

Procurement Type	GoN	SUSWA
Direct purchase	Below NPR 5,00,000	Below NPR 5,00,000
Three sealed quotations	Between NPR 5,00,000 to NPR 20,00,000	Between NPR 5,00,000 to NPR 20,00,000
Open bid/e-bidding Tender	Above NPR 20,00,000	Above NPR 20,00,000

- ✓ Any amount less than or equal to NPR 20,000 as petty expenses can be directly purchased.
- ✓ A price and quality comparison of three options (when available) or a memo from CTA should be done when purchasing goods or services of value greater than NPR 20,000 up to NPR 5,00,000.
- ✓ Any goods or other services of value between NPR 500,000 up to NPR. 20,00,000 should be procured through collecting at least three sealed competitive quotations.
- ✓ Any goods or other services of value above NPR. 20,00,000 should be procured through an open bidding/e-bidding process (tender/electronic tender)

The CAFO monitors all procurement-related activities and informs the CTA about any irregularities. It is strongly forbidden to take personal commission or any advantage while procuring the goods and services.

2. Procurement of Supplies, Service and Works

Under the TA budget, the procurement of goods, services, and works will be done directly from PSU. The procurement committee for all items consists of the core administrative team named Management Team (MT). The MT is authorized to:

- ✓ Approve tender documents, assess quotations, and authorize the Team Leader/CTA to proceed with TA related procurement, as planned in the annual work plan,
- ✓ Review and approve bidding documents for studies and subcontracts to be outsourced,

- ✓ Participate in the evaluation and selection process of service provider(s) and vendors.

Procurement of equipment is done by collecting quotations from reliable registered suppliers. The MT will review the quotations and the basis for the selection documented. Quotations must be filed with the equivalent purchase order. If quotations have not been asked for, the reason for this has to be clearly stated when the procurement is being proposed. Dividing the purchases to bring it down to this category is strictly forbidden.

See **Annex 6: Price Comparison Chart** and **Annex 7: Evaluation Chart** to be prepared and signed by the MT. **Annex 8: A Purchase Order** is a commitment issued to an outside party for supply of goods.

The purchase order must be signed by the CTA. The purchase order shall contain the following details:

- ✓ Buyer's identification
- ✓ Seller or supplier
- ✓ Identification, specification, quantity, and price of goods
- ✓ Other terms of delivery, and
- ✓ Reference to supplier's offer

C. Assets Management

In the project, CAFO will be assigned as the Store Manager. The CAFO will be responsible for issuance of consumable and non-consumable goods to the employee, and maintains store stock as appropriate for basic items. S/he shall coordinate directly with CTA. CTA will form the Management Committee/Evaluation Committee for the procurement of goods and services as needed. All the procurement should be approved by CTA.

Any item released from the store must be duly signed by the CAFO and the person receiving the materials or equipment will fill the **Annex 9: Goods Issued to Individuals Note**. CAFO maintains both manual record of signed items and computer-based data bank of items procured, released and/or in store. Signature and intended use of material is compulsory also in case of release of consumables, stationary, etc. All non-consumable items shall be marked with the name of project and numbering for the record keeping.

The employee transferring to a new duty station or leaving the project must prepare a handing-over note. The note is signed by the person who is handing over the responsibility and by the person who is taking the responsibility. Refer **Annex 10: Handover format**.

1. Fixed Assets Inventory

All purchases that are not consumable goods are categorized as fixed assets. A separate sub-ledger or fixed assets register showing all fixed assets of the project should be maintained with the following details:

- ✓ Date of purchase and price
- ✓ Description of assets
- ✓ Manufacturing and registration number (where relevant/exists)
- ✓ Model, brand name and other specifications
- ✓ Other identification numbers
- ✓ Location of the goods and person responsible

Every six months all fixed assets are calculated and the results are compared to **Annex 11: Fixed Assets Inventory List**. Any differences should be documented and the reason for possible differences should be assessed. CAFO is responsible for inventory procedures and mobilizes the team for the task.

The common project equipment such as multimedia projectors, UPS, printers, copiers and scanners are under the supervision of CAFO and other administrative staff assigned to look after the particular equipment. S/he shall issue this equipment as required and receive into the store after completion of training, workshop, meetings etc. S/he must especially ensure that the equipment is returned in good condition with all appliances belonging to each item.

2. Discarding and Disposal of Used Materials

All items that are broken and are non-repairable must be recorded in **Annex 12: Disposal Form**. All items which are no longer necessary for the project must be recorded in **Annex 13: Discarding Form** mentioning the discarding method. The disposing and discarding of such items should be approved by CTA.

3. Vehicle Management

Under request of EoF, 9 vehicles property of EoF transferred from RV to SUSWA; list of plates and year/model and their operational status is in **Annex 14: Vehicles Logbook**.

The Project vehicles are registered with "blue plates" (duty free status) and the Motorbikes registered with "red plates" (local purchase). The use of vehicles and motorbikes have to follow the BOGs Clause 12. Vehicles and motorbikes shall be used in a most economic and coordinated way to minimize the fuel and other running costs as well as serve for maximizing staff movements in a cost-efficient manner. "One person and the driver" type of individual pick-up-and-drop travel should be avoided given the large number of staff travelling and limited number of drivers/vehicles available. Misuse of vehicles or motorbikes must be reported immediately to CAFO for necessary action in consultation with CTA.

For the project, one person is nominated as "Fleet Manager" who will be in-charge of the vehicle movements under the supervision of CAFO. Apart from driving vehicles, the Fleet Manager also plans fleet logistics, allocates tasks and holidays to the drivers and maintains and checks the logbooks on a regular basis.

a) Vehicle Policies

Each vehicle has its own driver who will be responsible for good care, safety, maintenance, washing and cleanliness of the vehicle. He/she will also be the in-charge of the security and responsible for the passengers. Therefore, the Driver must:

Timing	Driver Responsibilities
Before the Trip	<ul style="list-style-type: none"> -Ensure that vehicle is in a full working order -check functional central lock, safety belts -check if tools set are complete, First Aid Kit and COVID safety kits are fully equipped -check satellite phone battery and status and credit
Before Driving	<ul style="list-style-type: none"> -check all doors are locked, passengers have use used safety belts -ensure the back seats passengers must have fastened seat belts at least on black top roads

During Driving	<ul style="list-style-type: none"> -consider that safety comes always first, even if schedules are tight, maintain the speed safe -ensure no one smokes inside the vehicles -must not talk over mobile phones while driving -must not drink alcohol while on duty, who drinks shall be terminated immediately without notice
After Driving	<ul style="list-style-type: none"> -Fill in daily and maintain Annex 14: Vehicle Logbook and inform CAFO and Fleet Manager about any issues than need to be addressed or repaired/replaced and about any unusual events. -Never Park the vehicles in front of politically sensitive or any other locations which may compromise the security

The following **Vehicle Rules** must be kept in mind:

- ✓ It is the Driver who decides when to drive and when not to drive, the passengers have to respect that decision;
- ✓ In case of emergency, blockade or change in pre-approved plan, at least verbal pre-approval from the Fleet Manager and/or CAFO will be required. Such movement must be duly endorsed by CAFO upon arrival of the vehicle at PSU premises.
- ✓ Drivers should be in regular contact with PSU especially when weather conditions are unpredictable, such as during the monsoon season.
- ✓ Any employee including a driver travelling in the project vehicle can authorize use of the project vehicle in case of emergency and report later to CAFO. Typical emergency cases are: Accident, where people are seriously injured; acute severe illness and child birth;
- ✓ Fleet Manager manages the priority of vehicle bookings and whenever possible, merges travels to improve efficiency and reduce CO2 emissions.
- ✓ If any non-staff passengers are travelling in the vehicle, they must fill **Annex 16: Personal Responsibility Form** available in each Vehicle.

b) Vehicle Movement Monitoring

Fleet Manager collects logbooks from each driver weekly and updates the logbook database, and submits the reports to the CAFO and CTA for checking and for possible actions (seeking payments for private use), monthly. The Vehicle Monitoring report should have the following information:

- ✓ Vehicle Registration Number
- ✓ Assigned Driver
- ✓ Total KM, Fuel and Maintenance Cost for the Month

- ✓ Mileage/Litre
- ✓ Fuel Cost/KM
- ✓ Fuel and Maintenance Cost/KM

Also, all vehicle logbooks are to be checked by Fleet and approved by CTA monthly. A Yearly Summary Sheet will be prepared by Fleet Manager and checked by CAFO and approved by CTA.

c) Personal Use of Cars and Bikes

NOT ALLOWED

d) Use of Bikes

Bikes will be temporarily assigned to the eligible staff with driving license. The following rules must be followed.

- ✓ Driving License must be renewed
- ✓ Fill in daily and maintain Vehicle Logbook and inform CAFO and Fleet Manager about any issues than need to be addressed or repaired/replaced and about any unusual events.
- ✓ Never Park the bikes in front of politically sensitive or any other locations which may compromise the security.

e) Hiring Vehicles/Use of public vehicles

The Project will also hire vehicles from the private sector if additional vehicles are needed. Same vehicle operation and maintenance rule will apply for the project's as well as hired vehicles. However, the drivers of rental vehicles are not the employees of the project. For the payment to hired vehicles with no invoice or receipts, make sure to collect the following documents:

- ✓ Copy of Driving Licenses of the Driver
- ✓ Copy Registration of the Vehicle and yearly renewal page of Blue Book
- ✓ Details in Cash receipts: Date of transaction, Amount, Destination, Purpose of Travel and Signature of Received by and from.

For use of public vehicles, Cash Receipt or NIRAS taxi claim should be used.

D. Travel Regulations

1. Travel Requests

For field travels, PSU specialists must prepare travel plans and submit to the CTA/COORD through Employee Information Management System (EIMS) or by using **Annex 17: Travel Requisition Form** in case the server is down, and have it approved in advance by CTA, or by COORD if CTA assigns the duty.

In the EIMS system, the approver is either CTA/COORD, who approves electronically with their login credentials, and date mentioned in the travel is the date of approval of travel request approved and/or edited version of travel request. The manual signature and date is the date of payment day and approved travel settlement.

In case of no internet access in the field, travel approvals can be done over the phone and corresponding verification will be done through EIMS when it's possible. In such cases, a note confirming pre-approval over the phone must be added to the signature.

Travel Requisition Form should be filled indicating the number of days in the field, overnight location, agenda mode of travel etc.

Travels requests shall be calculated according to the project timeframe in Annex; updated annually by MT. Any inconsistency shall be justified in the travel request. If travels include compensation days this must be highlighted in the requests and justified.

2. Per Diem and Accommodation or Field Allowance

*Per diems Policy from Version 1: Upto August 31st, 2022 (local rates for national consultants and support staff)

*Per diems Policy from Version 2: From September 1st, 2022 (GoF rates for all)

The travel duration is calculated automatically in the NIRAS travel statement or EIMS system once date and time of departure and arrival has been entered.

- ✓ If the travel duration 24 hrs, the day count is 1
- ✓ If the travel duration is more than 2 hrs and less than 10 hrs, the day count is 0.35
- ✓ If the travel duration is more that 10 hrs and less than 24 hrs, the day count is 0.65

The Per Diem rates are stipulated in the GoF travel regulations and will be communicated to all by email annually. 50% of the per diem rate stipulated in the Finnish State's Travelling Regulations will be reimbursed for travel in Nepal, only when it is necessary to stay overnight outside the place of residence. For international duty travel, daily allowance will be paid in accordance with the Travelling Regulations.

Accommodation costs will be reimbursed as per the actual billed costs (no proper invoice, no reimbursement: in that case, the allowance will cover all. In the hotel bills, the following information needs to be clearly shown:

- ✓ name of the hotel guest,
- ✓ breakdown of the expenses (so that invoiceable and personal expenses can be separated),
- ✓ dates of the stay and the total amount in the currency used for the payment If two meals or

more are provided only 50% of per diem will be paid.

If breakfast is included in the hotel room price and the customer cannot choose to pay separately for the breakfast, the breakfast shall not be deducted from the price of the accommodation. If however, a separate fee, not included in the price of the accommodation, is charged for the breakfast, no separate compensation shall be paid for the breakfast.

Effective from 1st January, 2024, the employees are not eligible for Per Diem in case of duty travel to the location of their residence. However, expenses related to the travel and lunch during office time will be reimbursed upon original invoices. Maximum reimbursement for lunch is Rs 500.

In cases where there is provision of field allowance in employees' contract, s/he is not eligible to get any per diem/accommodation, but a fixed amount according to the contract is paid along with the salary, and this amount is taxable according to Nepal Income Tax Act.

3. Local Expenses

The travel expenses such as daily allowance, airfare, taxi fare, rickshaw fare, bus fare, porters etc will be reimbursed by the Project against receipts for the approved official trips. **Annex 18: Cash Receipts Form**

should be used for kind of expenses when the service provider is unable to provide the bills or receipts.

Annex 19: Taxi Claim form is to be used for Taxi, Bus or Auto Fare only.

The duty to travel should be made by using the most economic and reasonable route and means of transport.

4. Travel Claims

For Travel Claim settlement, all long-term employees and consultants should use the EIMS System. The excel template **Annex 20: Travel Claim** will be used only in cases when the server of EIMS System is not working. The itinerary and settlement will be on the same document.

All short-term employees or interns who are not enrolled in the EIMS will use the Annex 20: Travel Claim excel template. While submitting an Excel Travel Claim, one must also attach the approved Travel requisition (Annex 17).

All travel costs for a specific trip must be included in one travel claim. Important things one must consider while submitting travel claims:

- ✓ Submission of Original receipts, and if receipt is in Nepali, Translate in English: The Date, Amount and Details
- ✓ Exchange Rate for per diem must be from oanda.com for the first date of the travel. Details to be written in travel claim forms.

CHAPTER THREE: PROJECT FINANCIAL MANAGEMENT

A. Budgeting

NIRAS as the assigned TA-consultant administers the PSU budget. CTA is primarily responsible for budgeting the GoF funds for TA, running cost of PSU/project and for other purposes allocated to come through the TA consultant. Similarly, the programme activities that concern various municipalities or strengthening the enabling environment for WASH services, studies and plans, community mobilisation, training and workshops are planned by TA team and financed through TA accounts as per the annual work plan. It is administered and audited as per the rules and regulations of the GoF.

B. Disbursement Plan

The CTA together with the CAFO prepares a disbursement plan, which indicates in detail the requested fund amount needed for Programme purposes. **Annex 21: Disbursement Plan** is prepared as needed for a period of approximately one month. Requests are based on the annual budget but revised to correspond to the actual Programme implementation and financing situation.

CAFO Responsibilities	CTA Responsibilities	HO Responsibilities
<ul style="list-style-type: none"> -Check Bank balance in order to send the disbursement plan on time -Check and add period, project details, exchange rate, bank and cash balance, recurring costs -Sign the Disbursement Plan -Send to HO at least two weeks before funds are needed. 	<ul style="list-style-type: none"> -check the disbursement plan, paying special attention to other than recurring costs (events based on the work plan and budget) -Sign the disbursement plan 	<ul style="list-style-type: none"> -Check and approve the disbursement Plan -Transfer Niras Finland funds to the Project. The project costs can be invoiced after having received the monthly accounts from the Project.

C. Fund Management

1. Bank Operation

There is a dedicated NPR account for the TA funds sent from NIRAS. CTA is the signatory of the TA bank account/s, and CAFO is initiator for payments. Monday and Thursdays are the payment dates for the project; however, payments can be done in any other days in case of emergencies.

CAFO Responsibilities	CTA responsibilities	FC Responsibilities
<ul style="list-style-type: none"> -Initiate the payments online -Write cheques 	<ul style="list-style-type: none"> -Approve Bank Account Details -Check and Approve Payments Online 	<ul style="list-style-type: none"> -Check Bank Statement Balance with Access Bank Balance when checking the monthly accounts

-Check monthly bank statements and reconcile if required with explanations

-Check and sign the cheques

-Check and approve payment online during absence from office for emergency payment

2. Cash Handling

Handling cash shall be minimized for security reasons. Account Monitoring Officer (AMO) is responsible for Petty Cash Handling, and CAFO in absence of AMO. Petty Cash amount must not exceed more than 100,000 and must be kept in the safe. Cash movements are to be recorded into the Accounting Application and a separate cash register should always be kept up to date.

Logistics/Accountant Responsibilities	CTA Responsibilities	FC Responsibilities
<ul style="list-style-type: none"> - Keep the keys safe with the knowledge of the CAFO and CTA -Prepare Cash Receipts and make the payment upon invoice to the suppliers or staff -Counter sign by the receiver and giver -Prepare Annex 22: Petty Cash Book -Submit all Cash Receipts to CAFO on weekly basis to enter in Access -Prepare Annex 23: Cash Count Sheet, if applicable, explain the reason for excess/less balance. 	<ul style="list-style-type: none"> -Check and Approve Monthly Cash Report -Count the actual cash and tally with Monthly Cash Report and Cash Count Sheet 	<ul style="list-style-type: none"> -Check CTA Signed Monthly Report and Cash Count with Access Cash Balance prepared by CAFO

3. Advance Accounts

The project can give an advance to staff if needed for enabling a pre-approved project related travel, organizing an event or trainings etc.

Staff Responsibilities

CAFO Responsibilities

CTA Responsibilities

<p>-Prepare Annex 24: Advance Request Form mentioning the details for advance: Purpose, Dates etc and submit to CAFO</p> <p>-Prepare Travel Claim if it is travel related, else prepare Annex 25: Expenditure Claim with supporting documents to clear the advance.</p>	<p>-Check the Advance request form and proceed for Payment</p> <p>-Book the advance in staff name in the Access.</p> <p>-Check and clear the advance of the staff</p>	<p>-Approve the Payments</p> <p>-Approve the Advance Clearance.</p>
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The person receiving the advance is always solely responsible for the settlement of the advance. The advance needs to be cleared within one week after the return from the duty trip, the termination of the training course etc. and no new advances shall be admitted before the clearance of the previous one. Legal action can be taken after severe delay or severe misuse of the advance.

4. Exchange Rate Calculations

The exchange rates for invoicing the expenses in EURO from the MFA are based on the actual transfers between NIRAS Finland's bank account and the local project bank account. FC is responsible for updating the excel table for the exchange rate calculation and updating the monthly exchange rate in Access. Regarding expenditure claims or invoices, the exchange rates are primarily based on the actual money exchanges verified by the bank statement or cash exchange receipt or withdrawal receipt. If the actual money exchange cannot be referred to or is not applicable the rate is checked from oanda.com webpage from the day of transaction.

D. Expenditure/Payment Procedures

The required documentation for registering each transaction is the payment voucher, travel claim, salary slip, consultancy fee slips and possible supporting documents.

Annex 26: Payment Vouchers are the documents that identify financial and other transactions. Expenses can only be refunded against the invoice/ receipts or Cash Receipts. This voucher must be approved by the CTA.

CAFO Responsibilities	CTA Responsibilities	FC Responsibilities
<p>-Prepare Payment Voucher considering:</p> <ul style="list-style-type: none"> ✓ show date, name of the payment receiver ✓ show the amount and currency of the transaction 	<p>-Approve Payment Voucher before payment</p> <p>In case of loss of receipts but has the copies, special approval from CTA is a must.</p>	<p>-Check the Access Journal Entries with respective Payment Voucher and its supporting documents</p>

<ul style="list-style-type: none"> ✓ identify the goods/services that have been received ✓ identify number/ volume of goods or services, unit prices and total amounts ✓ need to be original, not copies. ✓ Correct Budget Codes to be used 		
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E. TA Monthly Financial Reporting

All transactions are entered in MS Access.

CAFO Responsibilities	CTA Responsibilities	FC Responsibilities
<ul style="list-style-type: none"> -Enter transactions in MS Access -Print the Reports -Scans all Financial documents with supporting documents -Submit Journal Report, Assets and Liabilities Report, Cash Reports, Bank Statements with scanned supporting documents to FC -Send all original documents 	<ul style="list-style-type: none"> -Sign and approve the printed Journal Report and Assets and Liabilities Report for every month 	<ul style="list-style-type: none"> -Checks the accounts report and sends an invoice to MFA

F. Budget Monitoring

Budget Monitoring will be done jointly by CTA and CAFO every month.

CAFO Responsibilities	CTA Responsibilities
<ul style="list-style-type: none"> -Enter total budget expenditure for the month -Calculate the average expenditure from beginning till date -Prepare Budget Vs Actual for the month 	<ul style="list-style-type: none"> -Check the reason for overspent or underspent budget -Monitoring if all activities are done according to Annual Work Plan. If applicable, plan by consulting with respective Specialist.

-Check if budget can be adjusted for next amendment.

G. Semi-Annual Financial Reporting

Financial reporting requires a regular semi-annual review of the outcome of the budget, comparing the costs actually incurred to those line items as budgeted in the annual plan.

CAFO Responsibilities	FC Responsibilities	CTA Responsibilities
-Enters the TA budget and expenditures in the report template	-Updates the summary of NIRAS invoiced to MFA	-Prepare the Semi-Annual Financial Summary report submit to MFA
-Enters of Investment Budget and Expenditures	- check report template and TA figures	-Clarify any deviations from the budget
-Enters Transit Account Details		-Clarify action/measures taken or plan to rectify the deviations

H. Monitoring and Auditing

Internal monitoring of expenditures is done at the home office of NIRAS. The monitoring and audit process are:

Activities	Performed by
Review of Monthly Financial Report and the statements	FC
Inquiries to PSU for clarifications (if needed)	FC
Provide Clarification to HO	CTA and CAFO
Inquiries for clarifications to HO and PSU of specific vouchers	MFA
Perform Annual Audit	Audit company assigned by HO
Perform External Audit by an Independent Audit Company	MFA

TA accounts are audited as per GoF rules and regulations, as well as EU regulations for the corresponding EU budget, while Municipality accounts are audited as per the GoN rules and regulations. The TA team must follow up GoN audit rules and must report any critical issues to MFA Finland.

The purpose of External Audit is to assess the integrity in the utilization of funds and the compliance with approved plans and budgets. Auditors gather information about the Project in order to form an opinion of the current financial, management and implementation situation. The project reports, such as the Trimester

and Annual Progress Reports, provide financial information in a summary form to GoN, GoF and other concerned authorities and stakeholders

CHAPTER FOUR: EMPLOYEE POLICIES

A. Staffing and Recruitment

Staffing for the project has been defined in the Project Document with detailed Job Descriptions (JDs) for each position. These JDs can be fine-tuned annually during the annual performance evaluations and when finalizing the results agreements for the next year to ensure that each staffs' skills and expertise are efficiently used. The staffing composition can be adjusted at any time depending on the needs of the project. Ultimately, such changes in the TA team compared to the Project Document needs to be approved by the Supervisory Board. The TA team should prepare the human resource strategy for effective mobilization of the available team for better results. The guiding principles in the selection of staff candidates to ensure the highest standards of efficiency, professionalism, competence and integrity and the process for recruitment are in **Annex 27: General Recruitment Principles**.

B. Recruitment policy for Human Resource

The recruitment of international experts is led by NIRAS headquarters in coordination with the CTA and with the support of TA expertise as needed.

The procurement of human resources must be discussed and approved by the CTA, who also negotiates all the long-term (LT) and short-term (ST) contracts and agreements. The following recruitment process comprises the long-term / short-term experts and support staff.

1. Long term experts recruited by TA

The project document provides a list of Terms of Reference (ToR) for long-term experts to be recruited by the TA;

- a) In case of modification of ToR, the CTA prepares amended ToR based on the Work Plan and budget and sends it to SVB for approval;
- b) The TA prepares scoring criteria, advertises the vacant position on e.g. website and other media, and searches in the NIRAS CV database. Alternatively, the recruiting process can be outsourced to the recruiting agency under service procurement;
- c) The CTA sets up an ad-hoc evaluation committee that interviews best-identified candidates or best candidates proposed by the recruiting agency;
- d) The evaluation committee selects the best available candidate and sends the CV to the MFA for no objection;
- e) The TA recruits the selected candidate under consultancy or employment contracts.

2. Short term experts recruited by TA

For the selection of short-term (ST) consultants, the CTA is authorised to:

- a) Initiate and draft ToRs for the ST consultants (both national and international);
- b) Select and approve short-term national consultants.

The short-term consultancy ToRs will require a no-objection from the competent authorities (Embassy of Finland and DWSSM). CTA will send ToRs by email to the competent authorities and wait three working days before proceeding.

The prevailing GoN thresholds as mentioned below and also detailed in paragraph "Procurement of supplies, services, and works" above will apply to the selection of ST consultants:

- a) Below NPR 5,00,000, MT will evaluate one CV based on relevance with ToR and project requirements;
- b) Between NPR 5,00,000 to NPR 20,00,000, MT will collect and evaluate at least three CVs and award the best candidate based on the relevance with ToR and project requirements;
- c) Above NPR 20,00,000, MT will prepare scoring criteria, form an evaluation board, advertise the position on e.g. website, a national newspaper, and other media, and search NIRAS CV database. Alternatively, the recruiting process can be outsourced under the service procurement.

3. Support staff

In case of the recruitment of support staff (e.g. drivers, office caretakers, admin staff), the quality-based selection will be followed by comparing three potential CVs (as far as possible), seeking the best available quality within the given budget frame. This procedure also applies to the positions recruited for the start-up of the project and before the approval of this manual by the SB. For the selection of supporting staff during the regular project implementation period, the MT is authorised to:

- a) Initiate and draft ToRs for support staff;
- b) Prepare scoring criteria and evaluation report;
- c) Advertise the position on relevant media.

Alternatively, the recruiting process can be outsourced under service procurement.

C. Signature Policy

The signature process to be followed by the project are as follows:

Types of Contracts	Authorised Signatory
Supply Contracts (like purchase of laptops, office equipment, etc)	Project CTA
Service Contracts (like Baseline Survey, Recruitment Company, Legal service, house and office rentals)	Project CTA
Support Staff Work Contracts	Project CTA
Long Term Experts (International/National)	Home Office (HO)
Short Term Experts (International/National)	HO

D. Employee Contracts

The employees will be categorized as staff working under “employee contract” and the individuals working under “consultancy contract”. In case of individuals (both national and expatriates) working under “consultancy contract”, the facilities will be applicable as mentioned in their individual contract.

Long term employment or contracts are subject to three (3) months' probation period after which the contract is valid until the date as specified in the contract. At the end of the probation period an Employment Contract will be signed by both employer and employee. During the probation period both the employer and the employee may terminate the contract upon giving written notice to the other party. Employee Contracts are to be signed by NIRAS Finland; Support Staff Contracts are to be signed by CTA.

The Annexes to be attached to the contracts are:

- ✓ Financial Package
- ✓ NIRAS Business Integrity
- ✓ BIMS Letter of Compliance (must be signed by the employee)

E. Performance Evaluation and Results Based Contracting

The employees' contracts both for long-term and short-term are performance-based contracts that can be terminated upon poor performance. For the Long-term experts/consultants, the Annual Performance Evaluation will be carried out by CTA. For support staff the evaluation will be done by CAFO along with the immediate supervisor of the respective staff or reference taken from another relevant person familiar with the staff's work.

Should there be obvious concerns that an individual staff member's performance is sub-optimal, a meeting with the concerned staff member could be organized at any time to review the situation. In this meeting, the action points for immediate improvements will be mutually agreed and signed, along with time-frame for verification. If the situation will not be improved even after this period, the contract will be subject to termination.

F. Working Hours and Public Holidays

TA staff is required to work 40 hours over 6 days per week.

The official working hours will be from 10:00 am to 5:00 pm on Sunday to Thursday, and 10:00 am to 3:00 pm on Friday.

PSU staff hired as International Technical Staff under individual consultancy have to follow the rules of employment as defined in their International Employment Agreements, which may differ from this manual that especially applies for the employees hired under “employee contract”. However, long-term experts working as individual consultants will also follow the working office hours as per the other employees.

For national employees, the labour law requires that each staff member is allowed a minimum of 13 days for men and 14 days for women (that includes international women day). The MT will, on an annual basis and based on the official government holiday list, agree on the list of SUSWA holidays to be applied, totaling a number of 20 days per year for both men and women. CAFO will update the SUSWA calendar accordingly.

International consultants with employee contracts are entitled to approximately 12 Nepalese national holidays. Finnish citizens will have a holiday on 6th December (Finnish Independence Day).

Employee Benefits

1. Leave Policies for Nationals

PSU staff have to inform their supervisors and colleagues as soon as possible in advance when they are unable to come to work, or they will be late.

PSU staff should plan in advance for leaves and highlight/seek coordination during the bi-monthly planning, and ensure leaves do not hamper already planned activities, and obtain prior approval before taking leaves with **Annex 28: Leave Application Form** or via email. Emergency leaves can be approved through phone but one must mark those leaves in timesheet or duty reports and fill in the leave application form when possible. The approved form or email extract must be attached to their timesheet.

- ✓ CAFO approves leave requests from support staff.
- ✓ CTA/COORD approves leave requests from specialists and advisors;

According to MoF Travelling Regulations, Article 4 “a combination of official and holiday journeys shall be avoided. If there are particularly valid reasons for combining official journeys with holidays, and if such a combination is approved, the vacation days shall be specified in the Travel Order Form. Travel expenses during the holiday period shall not be compensated. If for example the official journey ends at the beginning of the holiday, cost for the return journey shall not be compensated”. Per diem will be calculated until the work program ends and the holiday begins.

For national travels only, combining work with holidays can be approved in accordance to the following rules: when particularly valid reasons and emergency matters,

- ✓ when combination might result in better efficiency of the use of the time,
- ✓ always considering how the total number of working days in the contract will be reached.

Leave Type	Leave Days	Leave Policy
Annual Leave	30 Days	<p>-The annual leave must be used within the contract period and cannot be accumulated over the years. The leave period starts in January and ends in December. At the end of the contract, a maximum of 10 days of leave can be carried over to the next contract (if continuing the project).</p> <p>-Negative leave balance will be accounted for during the final financial settlement. If there is a negative leave balance at the end of the contract and the contract is not continued (i.e., employee is leaving the project), it will be deducted from the final month's salary.</p> <p>- The staff should, as a general rule, take their annual leave for their recreation and the employer has the right to insist that the leave is taken.</p>
		<p>However, such leave should not be taken during the critical peak seasons for the convenience of project implementation.</p>

Sick Leaves	12 Days	<ul style="list-style-type: none"> - The staff under employee contract are entitled to get 12 days/year of sick leave as per the Nepal Labour Act; this can include exceptional cases of sickness of Parents/Spouse or Child with prior approval from CTA. - Staff unable to come to work as a result of being ill must inform the office on the first day of sickness. A staff member who is sick for three consecutive days or more must submit a doctor's prescribed sick leave certificate. - Sick leave can be accumulated up to 45 days. When an employee is relieved from the service, s/he or his/her family members shall get lump sum amount to be set by last month basic salary. If the accumulated leave exceeds 45 days, the excess balance at the end of each year, s/he shall get the amount to be set by basic salary for excess period.
Maternity Leave	60 Days	<ul style="list-style-type: none"> - A maximum of 14 days will be allowed before confinement. - The staff can take only two maternity leave in the whole period of service - If the staff wishes to take more than 60 days of maternity leave, the excess days will be deducted from the annual leave balance or granted as leave without pay as agreed by the staff. - Maternity leave will be granted upon the submission of a medical certificate of child birth. For advance leave a medical certificate for pregnancy indicating also expected date of delivery, must be submitted to the Project.
Paternity Leave	15 Days	-Same policies as Maternity leave except for No. of days
Compassionate Leave	13 Days	<ul style="list-style-type: none"> -cover mourning on death of his/her Parents/Spouse or Child, and her in-laws in case of female employee - Verbal requests to CTA may be accepted in advance for such leave and the employees shall submit a leave application upon returning to work. A death certificate obtained from their respective ward office shall also be submitted for leave approval.

2. Dashain Bonuses (Festival Allowances)

The staff under employee contract is entitled to get one month's basic remuneration per year as a Dashain bonus, provided that he/she has worked the previous complete year (12 consecutive months) with the Project. For any period less than a year, the bonus will be paid proportionally, taking into consideration the months worked. Dashain bonus shall be paid for that particular year as described below:

Dashain Bonus	= basic month's salary x total number of months worked during the year / 12 months.
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3. Approved Retirement Fund Plan

The legal provision of Income Tax Act 2002 of Nepal will be applicable to the fund contributions. Provident Fund and Gratuity will be deposited in Citizenship Investment Trust (CIT). The composition of the funds is:

Percentage	Contributor
10% of Basic Salary	Employee
10% of Basic Salary	Project
8.33% of Basic Salary	Project
Total 28.33%	CIT Deposits

This retirement fund can be withdrawn by the employee upon the completion of contract, resignation or termination. CAFO is responsible for preparing necessary documents for this process.

4. Insurances

The project will obtain an insurance policy from an insurance company to cover personal accident insurance and medical insurance for the project employees. The management may decide to select any Insurance Company of Nepal for this purpose in course of the project. The premium amount for the insurance is already included in Gross salaries for all.

a) Medical insurance

The maximum provision of Medical Insurance coverage for the employee will be NPR 100,000 as per the policy of the Insurance Company.

b) Personal accidental insurance

The accidental insurance of the employee shall be as per the policy of the Insurance Company. Maximum coverage will be NPR 7,00,000.

All employee must fill in the Annex: Group Medical Insurance Claim Form within 1 month of date of medical prescriptions and bills.

5. Relocation Amount

At the beginning and end of the contract the employees paid from TA Fund, experts who are relocating from outside the project area will be provided with the relocation amount for the housing and other basic requirements by the project as agreed in their contract.

The maximum amount for relocation is 2400 Euros. In case the expert must be replaced, the replacement will receive the remaining amount. This relocation amount is paid as follows:

Percentage	Payment Period	Relocation Policy
25%	- after probation period upon signing employee contract	Effective from April, 2023, this amount must be returned to the project if
		employee leaves before completing 1 year;

25%	-after completing 2 years	
25%	-after completing 3.5 years	
25%	-at end of the full period of position as detailed in the PD	

6. Housing Facilities

Housing costs that include rent, heating, air-conditioning, water, electricity with necessary security services will be covered by the project against receipts and supporting documents. The WASH Advisors will be provided with office/home rent allowances.

7. Remoteness Allowances

Remoteness Allowance will be provided to the employees by Niras Finland whose duty station is under the following areas:

Districts	Remoteness Allowance Per Month
Humla, Dolpa and Mugu	Rs 17,040
Jumla and Kalikot	Rs 13,630

8. Communication

Each employee will be provided equivalent of Rs 2000 on monthly basis as communication for mobile recharge for phone calls and data, or as mentioned in the employment contract. The staff Sim cards are recharged by AMO/CAFO and the receipts are attached to the communication cost summary. Each employee should be accessible by means of online internet networks and telephone connections during office hours.

G. Compensation Day

CTA authorises compensation days in advance: use **Annex 29: Compensation Day Request** to request it.

The PSU staff should plan their working schedules so that unreasonable amounts of overtime or work on holidays will not be necessary. Exceptionally, due to a special reason that must be agreed upon beforehand, the staff may work during weekends or public holidays. In such a case, no compensation for overtime will be made, but the personnel will be entitled to obtain hours/days off equal to the number of hours/days of overtime worked. Such an arrangement shall be agreed upon in advance between the staff and CTA in writing. HOC approves CTA's work on weekends.

Regular field visits or training events will not be exceptional to this. Any substitute/compensation leave should be taken within 60 days, preferably within the same month; i.e., both the day worked and the substitute leave day taken should appear in the same or adjoining Time Sheet/s.

Compensation days can only be requested when visiting communities > 1 day walking distance far from the Palika HQ.

H. Time Sheet and Duty Reports

All long-term and short-term staff, support staff and individual consultants as defined in the Project Document must fill and submit a Monthly Time Sheet (Refer Annex 30: Time Sheet Format for staff and Annex 31: for consultants) within 2 days of the following month. All the timesheets are checked and signed by CTA and saved in the shared folder by the 3rd of the following month. The HOC approves the timesheets save in the folder with a signature.

Cadence and planning to prepare the monthly TS: -

1. CAFO will share the official list and names of holidays of the month.
2. Experts will fill and send by last day of the month to CAFO
3. CAFO checks sums, formulas and compensations filling and consistency in public holidays
4. CTA checks signs and submits them to NIRAS.

Every expert shall check the consistency of their TS with the following parameters before submitting it:

Parameters	Consistency
Sum of total days (on duty, out of duty, leaves, weekend/holidays)	The total number of days of the month
Working during Weekend/Public Holidays	+1 on working day and +1 on Compensation Column
Compensation Day Leave	+1 on Weekend/Public Holiday and -1 on Compensation Column
Descriptions in Main Activities	-Name and number of official holidays to be written, +1 on Weekend/Public Holiday or Leaves -No more than five words activities descriptions, +1 on duty station or out of duty station

All support staff must fill and submit Annex 32: Monthly Duty Report during the first week of each month. This duty report must be checked by CAFO and approved by CTA.

I. Salaries/Fees and Taxes

The payment policy for regular monthly salaries and fees are:

Payment	Payment Policy
Consultancy Fees	-will be paid upon approved timesheet for the month
Salaries	-will be paid by within two weeks of the following month

Taxes	-taxes of employees will be deducted at the source as per the prevailing GoN rules and regulations. -Verified TDS information shall be availed by project administration to the concerned employee
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J. Professional Activity Outside the project

The staff under “employee contract” shall not, unless otherwise agreed with CTA, engage directly or indirectly in any paid professional activity, work or business other than their assignment as stated in their job descriptions with the Project. However, the individual consultants under “consultancy contract” can work on other assignments during his/her leave period.

K. Innovation and Patents

The Project owns all innovations and patent rights for such works done under the employment agreement or contract signed with the Project.

CHAPTER SIX: PERSONAL DATA POLICY

A. Employee Data

Personal data about an employee must always be erased when there no longer is a purpose with storing it.

Procedure: Criteria for the erasure of an employee's personal data:

- ✓ Personal data must be erased within 6 months after termination of employment.
- ✓ At the termination of employment, the employee's access to the company's systems is closed.
- ✓ At the termination of employment, HR will go through the personnel file and delete non-relevant documents and information about the employee.
- ✓ Five years after the termination of employment at the latest, all information regarding the employee must be erased. However, there can be certain exceptions/or a legal obligation to continue storage of the information.

Control: Annual controls are performed to ensure the erasure of information on terminated employees and to ensure that information stored after termination due to legal obligations according to the contract or legislation is archived/filed correctly.

B. Client Information

Client information must be erased when there is no longer a purpose in storing it.

Procedure: Criteria for the erasure of client data:

- ✓ Personal information is deleted if no new agreement is made within 12 months after the previous agreement was terminated.
- ✓ To keep our guarantee obligations to our clients, information is saved for 5 years, after which it is erased or anonymized.
- ✓ If we are made aware of a new contact person, we will update this as soon as we are made aware of the changes.

Control: It is controlled and reassessed annually if the referred to client data should be erased or stored for a longer period.

C. Collaborators and supplier information

Information about suppliers and collaborators must be erased when there no longer is a purpose in its storage.

Procedure: Criteria for the erasure of supplier data:

- ✓ Personal information is deleted if no new agreement is made within 12 months after the previous agreement was terminated.
- ✓ If we are made aware of a new contact person, we will update this as soon as we are made aware of the changes.

Control: It is controlled and reassessed annually if the referred to supplier information is to be erased or stored for a longer period.

D. Applicants

Application and CV must be erased when they are no longer relevant to save, and at the latest 6 months after receipt.

Procedure: If there is a possibility that the applicant could be relevant at a later time, a declaration of consent must be granted from the applicant for further 6 months of storage.

E. Erasure of backup

Concerning the company's backup daily updates and data can be stored for up to 5 years.

Control: Saved applications and CVs are reviewed every six months. If the six months are coming to an end, it is assessed whether the application/CV should be erased or if a request should be sent for consent for further storage.

F. Data security

Purpose: To ensure that the necessary organisational and technical precautions are taken to safeguard against unauthorised access to or loss of personal data.

Procedure:

- ✓ Restricting the access to electronic personal data: All systems/drives containing personal data are included in restricted access so only employees who require access to do their jobs have access to systems/drives containing personal data.
- ✓ Mails containing personal data: Mails containing personal data is limited to an absolute minimum. Sensitive and confidential personal information that is sent via emails must be encrypted.

Control: Every year, the management will review the list of employees with access to systems and files with personal data and verify that only the necessary employees have access to systems and files containing personal data.

G. Physical Security

Purpose: Secure precautionary measures against unauthorised people's access to premises where the processing of personal data occurs.

Procedure: Areas with access to personal data are secured, so unauthorised persons will not have access to them. This happens by storing personal information and data in locked cabinets when the area is not supervised. Continuously, depending on the number of appendices, personal data from locked cabinets can be archived in a locked archiving area. All employees must lock their PC when they leave their work station, even if it is for a short time. Employees are subject to a clean desk policy, which includes the obligation to remove all documents from their desk when they leave it. Additionally, all employees must follow a face down policy, which means that documents containing personal information and data must be placed with the blank side upwards, or be covered in other ways when the employee leaves the documents at the workstation.

Control: Every year, when the annual accounts are submitted, it will be ensured that saved documents are no older than 5 years. Older documents will be destroyed.

H. Guests

Purpose: Guests must be handled safely.

Procedure: All guests must be registered in the guest log book. Guests are not allowed to walk around on the premises alone. Guests are registered in a registry, where information about name, phone number, e-mail, company, time and date of meeting, and contact person (from PSU) is gathered.

I. Prints and documents with Personal Data

Purpose: Personal information must not be freely accessible in paper format.

Procedure: Prints with personal data must not be left in the printer room, and it must be picked up as soon as it has been sent to the printer. Paper documents containing personal data must not be kept without supervision by an employee in the work time. All requests (letters in paper formats, print of emails, scraps of paper, etc.) that contain personal data must be shredded after use.

Control: When paper in the printers is replaced/filled, it will be verified that no documents are left behind in the printer/the printing room. If documents are found, the CAFO will be notified.

J. Securing Employee Awareness

Purpose: Ensure that employees are aware of the rules concerning the processing of personal data.

Procedure: Employees must sign a non-disclosure agreement at the time of hiring. All new employees must in connection to their hiring be made aware of the rules regarding the processing of personal data and IT-security.

Control: Every year, employees who work with personal data must re-read the Personal Data.