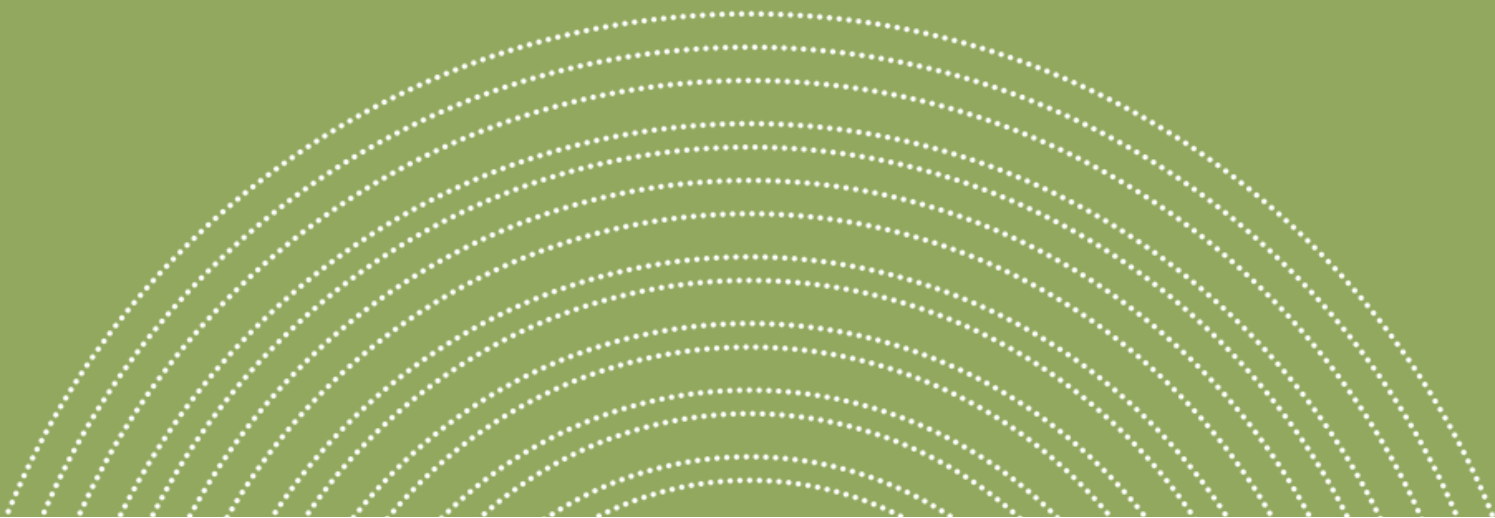




AFRICAN CIRCULAR
ECONOMY NETWORK

ACEN'S Procurement Policy and Payment Process



African Circular Economy Network – Procurement Policy and Payment Process

ACEN joins circular economy practitioners who are committed to build a restorative African economy that generates well-being and prosperity inclusive of all its people through new forms of economic production and consumption, which maintain and regenerate its environmental resources. www.acen.africa

Authors	Version Control
Nicky van Leeuwen	Version 1 (14/07/2023)
Reviewers	
Katharina Gihring, Chris Whyte, Kiera Crowe Pettersson, Christo van Schalkwyk, Susanne Karcher and Vanessa Kaiser	Version 1 (02/08/2023)

ACEN

Unless otherwise stated, this publication and material featured herein are the property of ACEN and are subject to copyright by ACEN. Material in this publication may be freely used, shared, copied, reproduced, printed and/or stored, so long as ACEN is acknowledged as the source.

Definitions

ACEN	The African Circular Economy Network also referred to as the Network in this document
------	---

Contents

1	Selection of Suppliers (under R50,000)	1
2	Budgets	1
3	Indirect cost policy	1
4	Submitting invoices	1
4.1.	Project expenses.....	1
4.2.	Overhead expenses	2
5	Reimbursed Travel expenses	2
6	Time keeping	2
7	Payment process	2
7.1.	Forex.....	3
7.2.	Bank account	3
7.3.	Record keeping	3

1 Selection of Suppliers (under R50,000)

- The selection process must be based on objective criteria, such as quality of the product or service, specialist expertise in the required field, cost, and matching technical specifications. Under no circumstances must the supplier selection be based on personal preferences or influenced by improper decision-making factors, such as direct personal gain, kickbacks or inappropriate gifts.
- For projects expenses – selection of suppliers must be done by the project lead. If supplier contracts are required, the operations team can draft the agreement, and it must be signed by a director.
- For non-specific project expenses – Operating expenses or Overhead expenses – such as Website development, will be done on a case-by-case basis following a majority decision in a Directors meeting.
- Selection of Suppliers (over R50,000 but under R500,000)
- Must follow the above principles, but must request a minimum of three quotations for selection.
- Selection of Suppliers (over R500,000)
- At the discretion of the Board of Directors, but may require an open tender for services

2 Budgets

- Each project needs to have a budget. The project lead is responsible for drawing this up and the subsequent monitoring thereof.
- The project lead and accountant are to meet regularly to monitor the budget of each project.
- The Operations team will monitor operations budget on a monthly basis.
- The accountant will present a financial and project report on a monthly basis to the operational team.

3 Indirect cost policy

- 10% - 20% of the overall cost of the project must be budgeted towards ACEN overheads unless decided otherwise by the Directors for particular cases.

4 Submitting invoices

4.1. Project expenses

- The project lead needs to receive, check, approve and submit all invoices relating to their project. By submitting expenses for payment, the project lead is authorising them.
- All invoices need to be submitted together in one email to the accountant.
- All contractor and subcontractor invoices have to be supported by a timesheet.

- Invoices for payments need to be submitted on a monthly basis by the 15th of the following month to the accountant i.e. June invoices submitted by 15th July.

4.2. Overhead expenses

- Overhead expenses can be submitted and settled within the month they are incurred i.e. Invoice for June, in June.

5 Reimbursed Travel expenses

- ACEN only reimburses travel cost if stipulated in the contract of the project team including any subconsultants.
- ACEN will accommodate travel costs as the most economical way (i.e. only Economy class flights and acceptable hotel rates)
- Any direct expenses and out-of-pocket expenses to be reimbursed must be done by providing copies of all original receipts, unless, at ACEN's discretion, this is covered by an agreed on daily "per-diem" to the project team including any subconsultants.

6 Time keeping

- All project team members including any additionally required subcontractors to keep track of their time spent on projects. This will accompany the invoice sent.
- The preferred time keeping app is Toggl and time needs to be captured to reflect "real time" project involvement (opposed to superficial estimates to match the budget allocation).
- Unless specially agreed on ACEN will not accommodate the reimbursement of any travel time of the consultant.

7 Payment process

- Project expenses are generally only claimable and subsequently paid out once the funds have been received from the funder/client. This may be negotiated to partial (e.g. upfront) payments at the exclusive discretion of the fiduciary tasked Directors. Consideration is to be made especially for out-of-pocket expenses that the subcontractor may have already incurred.
- Payments are usually made once a month, between the 20th and the 30th of the month. There may be instances when urgent payments need to be paid earlier and ad hoc. decided upon a case by case basis by the Operational Team.
- Project leads must communicate with the accountant and the ACEN directors any significant upcoming payments or expected incoming financial flows over the next few months (at least 1.5 month notification period) so that cashflow can be monitored and savings be optimised while bulk payments can be released on time.
- ACEN should ensure that all subcontractors are paid within 30 days of invoice assuming ACEN has received the funds related to such invoices in full.

- The accountant can load the payment on the online banking system ready for authorisation.
- The payment will be authorised by 2 signatories in accordance with the bank mandate.

7.1. Forex

- ACEN is not an expert at exchange rate fluctuations and does not wish to deal with foreign exchange gains and losses. As such, ACEN has the below policy:

ACEN will pay the subcontractors at the same exchange rate as the funds were received. Adjustments may be considered at the end of the project where there is an adverse exchange rate towards the subcontractor if there is sufficient budget. Money transaction costs will be billed to the receiving party of FOREX funds unless specifically agreed on otherwise by the fiduciary tasked directors

7.2. Bank account

- ACEN has a ZAR, USD and EUR bank account with FNB in South Africa. Payments need to be made so that the least costs are incurred to the party getting paid in the required currency.

7.3. Record keeping

- There shall be a soft copy and a hard copy of all documents.
- All bank statements, income and expense invoices are to be kept on the ACEN google drive in the finance folder
- Record keeping is the responsibility of the accountant.