

Millennium Challenge Corporation

# **MCC Guidance on Quarterly MCA Disbursement Request and Reporting Package**

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**MILLENNIUM**  
CHALLENGE CORPORATION  

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UNITED STATES OF AMERICA

Each MCA Accountable Entity shall submit to MCC on a quarterly basis a Disbursement Request Package for all sources of funds to include 609(g), CIF, and compact funding. The Disbursement Request (DR) identifies resources needed for program implementation in the upcoming quarter specific for each funding source as mentioned above. The accompanying package of materials is designed to offer MCC the information necessary to approve the Disbursement Request. The package provides information on execution of program activities, financial management, procurement actions, progress towards compact goals as defined in M&E indicators, and status of conditions precedent to disbursement. The granting of a Disbursement Request will be contingent on the quarterly package being satisfactory to MCC in form and substance. The Quarterly Disbursement Request Package (QDRP, including all reports listed below) shall be submitted prior to the start of the quarter for which funds are requested, even for quarters in which the MCA is making a request of zero dollars.

The package is to be submitted to MCC twenty (20) days prior to the end of each quarter (March 10, June 10, September 10 and December 10). Templates for all components of the package are available as annexes to this guidance on the MCC website at <http://www.mcc.gov/pages/countrytools/tools/compact-implementation>.

The package consists of a set of core documents that are required across funding sources as follows:

	<b>Document</b>	<b>Required for</b>
<b>1</b>	Narrative Report	Compact funds only
<b>2</b>	Disbursement Request/Quarterly Financial Report/Detailed Financial Plan	Compact and CIF funds, and 609(g) if MCA managed
<b>5</b>	Procurement Performance Report	Compact, CIF and 609(g) funds
<b>6</b>	Indicator Tracking Table	Compact funds only
<b>7</b>	Conditions Precedent Report	Compact and CIF funds (if applicable)

In accordance with the compact and relevant supplemental agreements, MCAs will submit work plans with the quarterly disbursement request package if so required. In some cases, MCC will request that MCAs also submit additional planning documents with the DR package.

In accordance with the compact and relevant supplemental agreements, all appropriate certificates, including for the Fiscal Agent, Procurement Agent (if applicable) and all administrative certificates, are to be included as part of the submission package.

# 1. Narrative Report

Limited to five pages, the Narrative Report briefly explains the significant factors behind the requested funding in the upcoming quarter. The report also provides the opportunity to provide a high-level explanation if the previous quarter's disbursement and activity projections were not met, and to explain any major deviations or changes to the implementation plans).

*See Annex 1 for the narrative report format and detailed guidance.*

## 2. Financial Reports (QFR/DFP/DR)

The required financial reports include: Detailed Financial Plan (DFP), the Quarterly Financial Report (QFR) schedules, and the Disbursement Request (DR). These reports provide an overview of the MCA's financial activities over the previous quarter(s) and justify any proposed request for spending authority in next quarter; they are also used to notify MCC of any proposed adjustments to the Multi-Year Financial Plan (MYFP).

Separate financial reports are required for all MCC grants. There are three types of MCC funding sources:

- ★ Compact,
- ★ Compact Implementation Funding (CIF), and
- ★ Compact development 609(g) grants.

The financial reports consist of the following schedules:

- ★ DFP Commitments
- ★ DFP Cash
- ★ QFR Schedule A (Multi Year Financial Plan Adjustment Request Form)
- ★ QFR Schedule B (Summary of Multi Year Financial Plan Adjustments to Date)
- ★ QFR Schedule C (Actual Expenditures Report)
- ★ QFR Schedule F (Cash Reconciliation and Interest Summary)
- ★ DR (Disbursement Request)

The first two schedules (*DFP Commitments and DFP Cash*) correspond to the Detailed Financial Plan,<sup>1</sup> which reflects the funding that the MCA Accountable Entity expects to commit and the cash (in the form of spending authority) it expects to need to carry out the tasks included in the Work Plans. For planning purposes, the DFP

<sup>1</sup> In certain Compact and Disbursement Agreements, the Detailed Financial Plan is referred to as the Spending Plan or the Detailed Budget

breaks down these categories to the activity level (or beyond to the sub-activity, where appropriate given the level of detail included in Compact's MYFP) on a quarterly basis over the life of the Compact.

*Schedules A and B* account for proposed and executed reprogramming (reallocation) of funds across projects and/or activities within projects.

*Schedules C and F* primarily establish cash requirements, which are driven by actual and projected disbursements.

The Disbursement Request is a form that Accountable Entities use to request Spending Authority for the next fiscal quarter or such other period agreed by MCC. The DR is executed by authorizing signatures from the Chief Executive Officer of the Accountable Entity, Chair of the Board of the Accountable Entity, and the Fiscal Agent.

The Fiscal Agent, with support from MCC Fiscal Accountability staff, is responsible for assisting the MCA Accountable Entity in preparation of the financial reports.

*See Annex 2 for detailed guidance on the financial reports.*

### 3. Procurement Performance Report (PPR)

The Procurement Performance Report (PPR) is a reporting tool for procurement actions initiated by the MCA. The report is cumulative, so as to provide an overview of all completed and ongoing procurements.

The PPR should include all approved, initiated, ongoing, and/or completed procurement actions valued at or above US\$25,000. This includes actions in the currently active and approved Procurement Plan, even if these actions have not yet begun. The PPR includes unique IDs for each procurement action for easy sorting.

The purpose of the PPR is for each MCA to provide MCC with a summary of the current status of procurements across its Program and thereby assist MCC in monitoring MCA compliance with the Program Implementation Agreement (PIA) or Procurement Agreement and the Procurement Plans. The PPR has six sections:

- ★ Procurement Information
- ★ Expression of Interest/Pre-Qualification
- ★ Bidding/Solicitation Documents
- ★ Evaluation of Bids/Proposals/Quotes
- ★ Contract Award
- ★ Implementation

*See Annex 3 for detailed guidance on the PPR.*

## 4. Indicator Tracking Table (ITT)

The Indicator Tracking Table (ITT) is a reporting tool that displays performance targets (projections) and tracks progress against them (actuals). The ITT is designed to help MCC and MCAs track interim progress toward compact goals. All performance indicators that are included in the latest approved M&E Plan for the Compact should be included in the ITT. This includes indicators at all levels of the results hierarchy including lower level output and process milestone indicators. A complete ITT provides detailed information that shows cumulative past performance, recently completed performance, and the remaining annual targets for each performance indicator.

Quarterly targets are no longer required as part of the reporting template to MCC. However, reporting of actuals on a quarterly basis (to be assessed against an annual target) is required where specified in the M&E Plan.

In addition, a column for current quarter actuals was added to the ITT template so that MCC and MCA management receive more up-to-date information on indicator performance. The ITT should only report against indicators and targets approved in the M&E Plan. Modifications to indicators and targets may not be made in the ITT.

*See Annex 4 for detailed guidance on the ITT.*

## 5. Conditions Precedent Report

The Conditions Precedent (CP) report is designed to report on the status of CPs to disbursement. The CP report captures information about the timing, associated project activities, status and relevant documentation for each CP. This report also tracks all CP deferrals or waivers requested by the MCA. It is important for MCAs to be specific about the documentation providing evidence of CP satisfaction, and to include a justification for any CP deferral requests.

*See Annex 5 for the CP Report format.*

## Report Templates

Please refer to the following Annex documents on the MCC website at <http://www.mcc.gov/pages/countrytools/tools/compact-implementation>

DR Annex 1—Narrative Report Form

DR Annex 3a—Guidance on the PPR

DR Annex 2—Financial report forms (DFP/QFR/DR)

DR Annex 4—Indicator Tracking Table Form

DR Annex 2a—Guidance on financial reports

DR Annex 4a—Guidance on the ITT

DR Annex 3—Procurement Performance Report Form

DR Annex 5—Conditions Precedent Report Form