



CBF Payments and Transfers Policy and Procedures¹

This CBF Operational Manual Exhibit describes the CBF Payments and Transfers Policy and Procedures. The document contains one section:

A. CBF Payments and Transfers Policy and Procedures

A. CBF Payments Procedures

The sections below describe the procedures for CBF Payments and Transfers to NPATFs that have been declared CBF eligible by the CBF Board and which have signed a Vertical Agreement with the CBF. All procedure steps described below shall be referenced in the Vertical Agreement signed with each NPATF. Vertical Agreement negotiations with each NPATF may include additional steps and/or requirements for payments and transfers that would be discussed on a case-by-case basis.

A.1 NPATF Payment Request

Within forty-five (45) days of the first day of the NPATF fiscal year the NPATF sends a formal payment request to the CBF with the following documentation:

- a) **Annual Work Plan** - NPATF Annual Work Plan approved by the NPATF Board for the relevant fiscal year.
 - i. The Annual Work Plan shall include all NPATF planned activities related to the operations and activities for the relevant fiscal year.
 - ii. The Annual Work Plan, or any supplementary document, shall also describe the grant making program and procedures - timeframe(s) for call for proposals, objective(s), grantee target groups, overall evaluation process and selection criteria description, and/or other agreements planned for the relevant fiscal year in which CBF resources and CBF Matching Contribution are expected to be allocated.

¹ Approved by the CBF Board on 30 June 2015.

- b) **Annual Budget** - NPATF Annual Budget Plan approved by the NPATF Board for the relevant fiscal year.
 - i. The Budget shall include the planned annual operating budget of the NPATF as well as budget envelope for the grant making program(s).
- c) **Board of Directors Appointment** – A written statement certifying that the NPATF Board has been established, including the names of all members and positions of the Board officers.
- d) **Executive Director or other staffing arrangements** - A written statement certifying that an Executive Director or other staffing arrangements are in place to manage day-to-day activities of the NPATF.
- e) **Bank Account** – Proof of operating bank account in the name of the NPATF and all relevant information required for wire transfers.
- f) **Matching Requirement** – As stipulated in Section 3.4 of the CBF Operational Manual, beginning on the second anniversary of the signing of the Vertical Agreement between the CBF and the NPATF, provide to the CBF an acknowledgement from the NPATF's Executive Director that the NPATF has deposited in a bank or financial institution on terms acceptable to the CBF an amount representing its Matching Requirement.

The CBF will provide the NPATF with enough notice (generally one year in advance) of the Matching Requirement amount.

Upon submission of the above documentation, the CBF Secretariat may also request clarifications to the NPATF with regards to the Annual Work Plan and Budget, and expected use of CBF resources, and any other documentation submitted.

A.2 CBF Payment Calculation and Approval

Upon receiving the payment request:

- a) **NPATF Payment Calculation** - The CBF Secretariat calculates the annual payment for which the NPATF is eligible for the relevant CBF Payment Period based on the CBF payment formula as defined in the CBF Articles of Association and Operational Manual.
- b) **Payment Approval** - Final approval of an Annual CBF Payment to a NPATF will require the following:

CBF Secretariat

- i. Circulation of payment request, including supporting documents, and payment calculation conducted by the CBF Secretariat, to all CBF Board Members for a seven (7) business days comment period.
- ii. After the seven (7) business days comment period; and if no comments are received by the CBF Secretariat, final approval will be granted by the CBF Board Chair and Vice-Chair and Treasurer.
- iii. If comments are submitted to the CBF Secretariat, the Secretariat will contact the NPATF to make any necessary clarifications. Once the comments have been addressed the approval process will continue as stipulated immediately above.

A.3 Transfers

- a) CBF transfers applicable to a CBF Payment Period will be done, in general, on a semi-annual basis or as otherwise agreed in the Vertical Agreement or notified by the CBF to the NPATF from time to time.
- b) Subsequent transfers for a relevant CBF Payment Period will be done according to the reporting requirements described in Section B.
- c) The CEO of the CBF Secretariat shall be responsible for reviewing reporting requirements and approving transfers within a Payment Period.

B. CBF Payments Reporting Procedures

B.1 Semi-Annual Reporting within a CBF Payment Period

Within forty-five (45) days of the end of every second fiscal quarter the NPATF shall provide to the CBF semi-annual reports including:

- a) Semi-annual technical reports describing progress in achieving the Annual Work Plan and Budget objectives, disbursements of funds to grantees, as well as the biodiversity conservation and other impacts achieved by the NPATF projects portfolio;
- b) Semi-annual unaudited financial statements; shall include evidence of operational expenses and transfers to grantees.
- c) Final Terms of Reference for call for proposals conducted during any fiscal period covered by a CBF Payment and Matching Contribution and any other documents that describe how CBF resources and Matching Contribution are to be used;
- d) Approved list of grantees (NPATF Board Minutes decisions) and agreements/contracts with grantees.
- e) Further information and documentation as requested by the CBF at its reasonable discretion;

Technical and financial report templates will be provided by CBF.

CBF Secretariat

6 Colonial Hill Plaza * Thompson Blvd. A * PO Box CB 11398 * Nassau * Bahamas
(UK Registered Charity: 1149889 * UK Registered Company: 8204716)

B.2 Annual Reporting and Next CBF Payment

Within forty-five (45) days of the first day of the next NPATF fiscal year, and as a pre-condition for the next CBF Payment, the NPATF shall provide the CBF the following:

- a) Documentation required in B.1 a) through e) adjusted to reflect the annual period.
- b) During a CBF Payment Period, the CBF may request a minimum of two (2) Payment monitoring meetings with the NPATF to discuss overall progress and submitted documentation.

B.3 Audit Reporting

Upon finalizing a fiscal year, the NPATF shall submit within six (6) months an external and independent audit report.

CBF Secretariat

6 Colonial Hill Plaza * Thompson Blvd. A * PO Box CB 11398 * Nassau * Bahamas
(UK Registered Charity: 1149889 * UK Registered Company: 8204716)