

PowerNET™



**Ndani afunika kusebenzesa PowerNET ?
Ndichofunika kwambili kuti ana azaka
5 kubwela pansi ndi azimai amimba
kugona mu PowerNET chifukwa ndi
amene angatenga malungo musanga.**

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funding from USAID.



**Partnerships
for Health
Reform**

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HEALTH REFORM TOOLS SERIES

Managing and Financing The Sales of Insecticide Treated Mosquito Nets

**A Handbook Based on Experiences
In Eastern Province, Zambia**

March 2001

Grace Chee
Abt Associates Inc.

www.PHRproject.com



Partnerships
for Health
Reform

Mission

The Partnerships for Health Reform (PHR) Project seeks to improve people's health in low- and middle-income countries by supporting health sector reforms that ensure equitable access to efficient, sustainable, quality health care services. In partnership with local stakeholders, PHR promotes an integrated approach to health reform and builds capacity in the following key areas:

- > *better informed and more participatory policy processes in health sector reform;*
- > *more equitable and sustainable health financing systems;*
- > *improved incentives within health systems to encourage agents to use and deliver efficient and quality health services; and*
- > *enhanced organization and management of health care systems and institutions to support specific health sector reforms.*

PHR advances knowledge and methodologies to develop, implement, and monitor health reforms and their impact, and promotes the exchange of information on critical health reform issues.

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The opinions stated in this document are solely those of the authors and do not necessarily reflect the USAID.

Abstract

This handbook contains resources developed in conjunction with the government of Zambia's initiative to combat malaria, more specifically, to prevent the disease through the sale and use of insecticide treated mosquito nets. An initial donation of nets was provided by the United States Agency for International Development, and a rotating fund was established for the immediate purpose of cost recovery and the long-term goal of sustainability of the prevention measure. The resources contained in this handbook – record-keeping forms, an operations manual, training materials, and operations checklists – constitute a system for implementing and documenting the distribution and sales of the nets at the community level, and reporting to higher levels of the health system. In addition to standardizing operations to achieve efficient management, the resources allow for ongoing, internal and external monitoring to discover and correct problems such as loss of stocks or funds due to mismanagement or theft. The resources are adaptable for use in other locations or for other initiatives involving sales of health products.

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Acronyms

CBOH	Central Board of Health
DHMT	District Health Management Teams
EHT	Environmental Health Technician
IEC	Information, Education, and Communication
ITN	Insecticide Treated Nets
MIS	Management Information Systems
NHC	Neighborhood Health Committees
PHR	Partnerships for Health Reform
RHC	Rural Health Center
SFH	Society for Family Health
USAID	United States Agency for International Development

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1. Introduction

The government of Zambia's strategy to combat malaria includes the promotion of insecticide treated mosquito nets (ITN) to prevent transmission of malaria and the improvement of malaria diagnosis and treatment. In 1998, the government launched its integrated malaria initiative in Eastern Province, covering the districts of Chipata, Lundazi, and Chama. The initiative was a multi-pronged approach that included selling mosquito nets in communities and training health staff and community health workers in malaria diagnosis and treatment. The United States Agency for International Development (USAID) was a key partner in the initiative, supporting malaria training and awareness, and donating mosquito nets.

The Society for Family Health (SFH), a Zambian non-governmental organization, was responsible for the distribution of mosquito nets. To enhance the sustainability of this initiative, nets were sold rather than given away free, with the proceeds deposited in a revolving fund to purchase additional nets once the original stocks are depleted. The Partnerships for Health Reform (PHR) project provided assistance to SFH to strengthen the management and financing of its ITN sales initiative in Eastern Province. PHR was closely involved in designing the operations and developing administrative procedures, record-keeping forms, etc. PHR also trained SFH staff and rural health center (RHC) staff in all aspects of operations management.

The tools used in implementing this initiative in Eastern Province, from design of procedures to training staff and follow-up, are compiled in this handbook. Its purpose is both to document the work in Eastern Province and to contribute to the successful implementation of future similar initiatives by sharing methods, tools, and insights that may be adapted for use by others.

1.1 Who Would Benefit from This Handbook?

This handbook is most useful for health officials who wish to implement a community-based system for selling health products, using health centers (HCs) as central nodes in the system. It contains resources needed to operationalize such an initiative, including tested procedures, record-keeping forms, training materials, and management checklists.

The materials are easiest to apply in Zambia since some of the forms and procedures are already a standard part of the health system. Nevertheless, the handbook is also applicable outside of Zambia, and/or it may be adapted to initiatives that do not intend to exactly replicate this system but that do need to systematize their implementation processes. For example, the content and organization of the procedures manuals can serve as a guide for other types of operations; the training guide and materials illustrate the type of in-depth training that is required for smooth implementation; and the checklists are useful management reminders to improve the organization of various types of programs.

1.2 How to Use This Handbook

This handbook presents a process for implementation that includes six main components:

- > Designing the operations system
- > Designing appropriate record-keeping
- > Developing and documenting operating procedures
- > Conducting effective training
- > Operationalizing RHCs
- > Developing monitoring procedures

While the entire process follows a logical framework, individual modules can be used independently. To assist users, each module presents overall guiding principles as well as a description of the development process and experience in Eastern Province. Annexes to the handbook contain the materials developed and used in Eastern Province; they can be used as is, or adapted to other locations and initiatives.

To facilitate use of the enclosed materials, electronic copies can be downloaded from the PHR website at www.PHRproject.com

2. Designing the Operations System

There may be many actors involved in the distribution of health products into HCs and communities. It is essential to systematize their activities and, whenever possible, it is better to incorporate their operations into existing the health care infrastructure, rather than to set up a parallel system. In this way, the new initiative strengthens the capacity of the health system, and likely is less expensive than creating and maintaining a parallel system. The operations system may be designed not only to distribute products efficiently, but also to meet other objectives such as maximizing financial and programmatic sustainability. The operations system may also be designed to ensure that stakeholders have relevant roles that encourage their support for the initiative. Establishing some key objectives helps to prioritize the most important components of operations. However the operations are implemented, it is critical that all those involved fully understand the key points.

Guiding Principles

- > Incorporate the operations system into existing health infrastructure whenever possible – for example, use public health workers and health facilities.
- > Establish key objectives for the operations system, such as ensuring sustainability, engaging key stakeholders, etc.
- > Ensure that all actors involved fully understand the key points of the operations system.

In Eastern Province, the ITN operations system was designed to fulfill four main objectives, described below.

2.1.1 Rotating Fund to Finance Nets

A rotating or revolving fund was established as part of the financing strategy of the Zambian ITN initiative. The goal of the rotating fund is to maximize the value of donated nets by using the funds collected from sales of those nets to purchase replacement nets when the original nets wear out.

Many factors affect the long-term viability of rotating funds:

- 1) ***Sales price of nets or subsidization rate*** – Setting the sales price at full cost recovery enables the rotating fund to procure the same number of replacement nets as the number of donated nets sold. Often, however, factors other than replacement cost must be considered in setting the sales price. For example, many people in the communities that are targets of the ITN initiative may not be able to afford the full cost recovery price; thus, the price is set below cost. Setting a price below cost means that the rotating fund will one day be depleted, since the monies that the fund collects cannot procure as many nets as was sold. Whether the sales price is set at full cost or not, it will need to be reviewed and adjusted regularly to take into account changes in the cost of nets due to inflation (see point 3 below) or the exchange rate (see point 5 below).

- 2) **Collection rate** – The rotating fund will be depleted quickly if there is leakage¹ of stocks or funds. The closer the collection rate is to 100 percent, the longer the fund is able to continue rotating. The best way to minimize leakage is to set a precedent of no tolerance for losses from the onset. The first cases of loss or fraud must be dealt with expeditiously. Errors in accounting must be resolved quickly and accurately, so everyone understands the importance of precise accountability.
- 3) **Cost inflation of nets** – It is likely that the price of nets will increase over time, which will erode the purchasing power of the rotating fund. The increase in price can be partially or completely offset by the interest earned on the funds collected from the sale of nets, so these two factors – price increases and interest rates – are closely tied and must be carefully managed. Negotiations with suppliers may be able to minimize the impact of inflation.
- 4) **Bank interest rates** – Maximizing the interest collected from the bank maximizes the sustainability of the rotating fund.
- 5) **Exchange rates** – If commodities are purchased from abroad, foreign exchange rates are probably the most volatile factor in determining the long-term sustainability of the rotating fund. Fluctuations in the exchange rate affect the effective subsidization rate. The sales price must be reviewed regularly with consideration to changes in the exchange rate. For example, if the cost of a net is US\$2.00, at an exchange rate of US\$1=K2,000, then selling the net at K4,000 would represent full cost recovery. However, if the exchange rate changes to US\$1=K3,000, the price of K4,000 then represents only 66 percent cost recovery. The exchange rate also affects the value of the funds deposited in the bank. For example, if K100,000 are held in the bank during a period while the exchange rate falls from US\$1=K2,000 to US\$1=K3,000, then the value of the K100,000 falls from \$50 to \$33; this has a detrimental effect on the quantity of replacement nets that can be purchased. For this reason, it is very important that funds from the sale of nets be held in a stable international currency, preferably the currency used for procuring additional nets.

2.1.2 Goal of 100-percent Collection

All individuals involved in the ITN initiative are aware of the no tolerance policy for losses. Strong operations procedures and record-keeping allows easy identification of losses. In the event of loss of funds or nets, formal dispute resolution procedures have been adopted, which involve the local chiefs. In most cases, the chiefs have been able to exert pressure to ensure that individuals return any lost funds.

2.1.3 Central Operational Role of RHCs

While the SFH is responsible for oversight, day-to-day management is in the hands of rural health centers and the Neighborhood Health Committees (NHCs). Establishing the RHCs as the focal point for operations minimizes the cost of the distribution system, and encourages local ownership. Effective training of the RHC staff, and ensuring that they had the necessary tools and resources to enable high performance, encourages operational efficiency. Further assistance and training for the district health management teams (DHMTs) would help them to take over management of this program, again establishing local ownership.

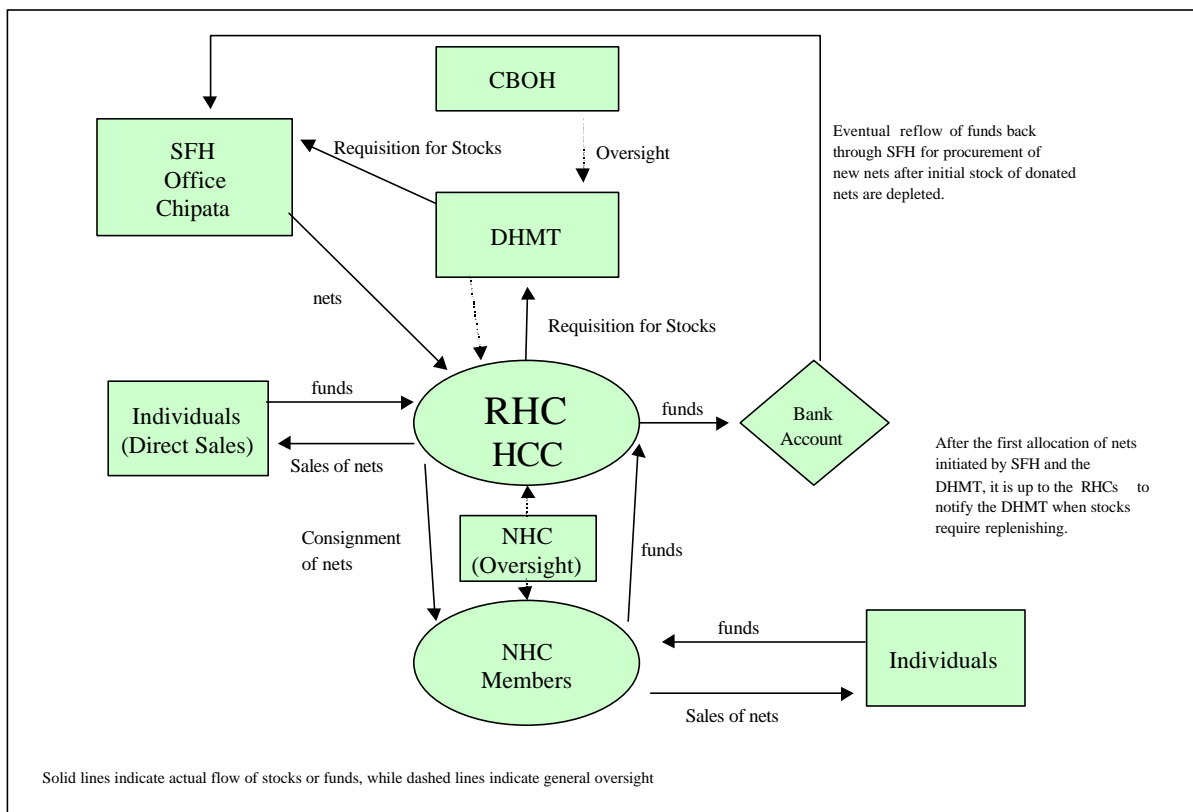
¹ Leakage is defined as loss of stocks or funds due mismanagement, theft, or fraud.

2.1.4 Emphasis on Operational Efficiency, Training, Monitoring, and Follow-up

While setting up strong operations procedures was an important part of the initiative, procedures are not helpful if people do not fully understand and adhere to them. For this reason, there was strong emphasis on training and follow up with the RHCs, which previously had little experience handling funds. Follow-up with the RHCs within the first two weeks of operations helped to identify and resolve – and therefore contain – problems.

In Eastern Province, the SFH is the central storage and distribution point for the nets and insecticide. The SFH coordinates all aspects of implementation, including training and support to RHCs and consolidation of the rotating funds for procurement of new nets. The Central Board of Health (CBOH) and the DHMTs are critical in providing overall support and oversight. The RHCs provide the day-to-day management of net sales, consigning nets to NHC members to sell within their own communities, and selling nets directly to patients. They are also responsible for accounting and banking of funds collected, and calculating and distributing commissions. The NHC provides general oversight of the members and becomes involved if problems arise.

Figure 1. PowerNet and PowerChem Distribution Chain



3. Designing Appropriate Record-keeping

Record-keeping is not an end in itself – it is only useful as far as it can improve management of the operations. Strong record-keeping allows compilation of useful statistics and simplifies oversight of operations; thus, it is critical to effective management. Record-keeping not only is important for financial management (e.g., ensuring funds are deposited and commissions paid accurately), it can be useful in monitoring sales trends, collection rates, fraud/losses.

Record-keeping in Eastern Province was kept as simple as possible, relying on existing forms wherever appropriate. Forms were designed to track transfer of stocks or funds and to capture important management data. One pre-implementation proposal in Eastern Province included several forms to track delivery of stocks to RHCs, and no method for tracking consignment of the nets to NHC members. After review, some forms were eliminated to simplify the recording of stock deliveries and a new form added to capture the consignment to NHC members. Once a key piece of data was considered useful information, then forms were designed to allow the data to be captured easily. The Record-keeping Worksheet was designed to provide an easily maintained record of monthly sales, funds at the RHC, and funds deposited in the bank.

Guiding Principles

- > Good record-keeping does not mean filling out many forms. Whenever possible, forms should be consolidated and information simplified, avoiding extra paper and excess information.
- > Adapting forms already used in the health system minimizes the number of new materials that must be absorbed by health center staff.
- > All transfer of stocks or funds must be properly recorded.
- > Good record-keeping provides important management data. Forms can be designed to allow the key data to be captured easily.

In Eastern Province, seven record-keeping forms are required to track all operations. Four of these forms are already used by the Central Board of Health, so HC staff were familiar with their usage – Supply Vouchers, General Receipts, Stock Control Cards, and General Ledger Cards. Three additional forms were developed to track specific transactions unique to this initiative – Member Consignment Form (tracks consignments to members and funds returned to RHC), Commission Tracking Worksheet (tracks monthly commissions to NHC), and the Record-keeping Worksheet (tracks sales and funds collected on a daily and monthly basis). Below is a description of each form’s specific function:

1) Supply Voucher

- Usage: The Supply Voucher is used to obtain stocks of nets/insecticides from the SFH, with both the SFH and the HC maintaining a copy.
- Purpose: Supply Vouchers allow monitoring of the number of nets sold by each of the RHCs. Supply Vouchers also provide proof that nets were released by the central office, received by the DHMT, and received by the RHC.

2) **Receipts and Receipt Book**

- Usage: The members and the HC use Receipts to record all sales. Receipts are given by the RHC to individuals who purchase nets/insecticide directly at the RHC. The members issue Receipts to Purchasers when the Purchaser pays for nets/insecticide.
- Purpose: Receipts act as proof of payment. They also allow a RHC and member to have a record of cash collected.

3) **Stock Control Card**

- Usage: The HC uses Stock Control Cards to record delivery of nets/insecticides from the DHMT and Central Office. They are also used when the RHC distributes nets/insecticide to the members. At the end of each day, the total of nets/insecticides sold directly at the RHC to individuals should be recorded on the Stock Control Card.
- Purpose: Stock Control Cards allow monitoring of the nets and insecticide. There should be separate Stock Control Cards to track family size nets, double size nets, and insecticide sachets. The RHC is responsible for accurate stock control.

4) **General Ledger Card**

- Usage: The General Ledger Card is used by the HC to track all deposits and withdrawals from the bank account.
- Purpose: The General Ledger tracks the total funds collected by the RHC, less funds used for purchasing new nets.

5) **Member Consignment Form**

- Usage: Member Consignment Forms are maintained at the HC and are signed whenever the RHC releases nets to a member or when a member deposits funds at the RHC.
- Purpose: Member Consignment Forms allow a summary of each member's performance, the number of nets taken, the number outstanding, the cash received, etc. It is used to see which members have long outstanding nets.

6) **Commission Tracking Worksheet**

- Usage: The Commission Tracking Worksheet is used to calculate commissions due to the NHC and to track the payment of commissions.
- Purpose: The signature of the NHC chairman on the worksheet is proof that he has collected the commissions.

7) **Record-keeping Worksheet**

- Usage: The Record-keeping Worksheet is used by the HC every day to summarize transactions for the day.
- Purpose: The Record-keeping Worksheet allows recording of the month-to-date totals of nets/insecticide sold directly to individuals and the cash collected from all sources. It also tracks how much cash is at the RHC, and when cash collected is banked.

Copies of the forms used in Eastern Province to track daily operations are in Annex A.

4. Developing and Documenting Procedures

Effective operations procedures are a tool to minimize potential problems. They also increase the likelihood that any problems that do occur will be found and resolved immediately and internally – without need for outside oversight and intervention.

In Eastern Province, sale of mosquito nets requires RHC staff and NHC members to handle significant sums of money and valuable stores of inventory, responsibilities most have not had in the past. Organized procedures allow RHCs to be active program managers. Without such procedures, RHCs could not be the central point for operations, as there would be no assurance that stocks are being consigned correctly or that funds are being recorded and banked as required.

Procedures for “normal” operations must include measures to prevent leakage before it happens. In the case of mosquito nets, there is potential for loss of stocks or funds. To avert this, measures to prevent leakage are used: For example, a recipient signs a form as proof of his receipt of products, demonstrating his accountability for the nets or for funds from the sale of the nets. Likewise, maintaining daily and month-to-date totals of sales allows for spot-checks that can identify leakage at an early stage.

Also needed are effective procedures for dealing with problems when they do arise. Enforcement of these procedures is critical: The way incipient problems are handled sends an important message about the severity of consequences related to mismanagement or theft. In Eastern Province, the Problem Resolution Procedures were shared only with NHC chairmen, so as not to insinuate mistrust of NHC members.

While specifics on training will be discussed in module 5, it is important to note here that procedures must be understood and followed by everyone involved. Adequate training is required to ensure full understanding – procedures that people do not follow for lack of understanding are useless.

Procedures should be established prior to implementation, but it should be understood that they are always evolving. Procedural changes may be needed as their practicality in day-to-day operations is tested. A Procedures Manual can be a useful reference tool, but should never be considered a substitute for staff training. *Procedures for Financial Management and Administration* and the *Problem Resolution Procedures* for the initiative in Eastern Province are attached in Annex B.

Guiding Principles

- > Effective procedures encourage accountability and minimize the need for outside oversight. Organized procedures provide the tools needed for effective program management.
- > Procedures must be understood and followed by everyone involved. Adequate training is required to ensure full understanding – procedures that people do not understand or do not follow are useless.
- > In addition to establishing procedures for normal operations, setting procedures for problem resolution allows proper handling of problems when they do arise.

5. Training for RHC Staff

Designing financial and management systems and procedures are only precursors to the implementation process. Implementation begins with training. Training people to use the systems and procedures is an integral part of successful operations. Staff involved must be trained on all the procedures related to accounting for stocks, consigning stocks, recording sales, distributing commissions, and depositing funds. It is important that training not be limited to lectures, but also include role playing and on-site training and supervision, in order to fully reinforce key concepts.

In Eastern Province, each RHC staff member had one day of classroom training on management procedures. This was followed by a day on-site: While RHC staff observed, NHC members spent the first half of the day being trained on procedures as well as proper handling and dipping of nets. The second half of the day entailed oversight of the first consignment of nets to NHC members, and the first application of the management procedures by RHC staff. Any issues about proper procedures were clarified at that point.

Guiding Principles

- > Providing adequate training to RHC staff is the most important input to effective operations. RHC staff were not just given an explanation of how to do things, but this explanation was reinforced repeatedly through role plays and again through on-site training and supervision.
- > Using role plays and exercises to enact real-life situations improves the effectiveness of training. The classroom training incorporated actually performing each of the transactions (consigning nets, selling nets, etc.) to explain fully what actions are required.
- > Effective training includes both classroom theoretical training and on-site, applied training.

Annex C includes a guide/curriculum for training of RHC staff, as well as exercises used during training. Also included is a guide for training NHC members.

6. Operationalizing Rural Health Centers

Once procedures and forms are finalized, and staff trained, operations can begin! Implementation of an initiative can be complex and requires coordination of many different functions. It is useful to begin on a limited scale, so as to identify details that may have been omitted or that require refinement. Relying on management tools, such as checklists or worksheets, can help to ensure that all materials are adequate and assembled.

One of the main lessons learned from Eastern Province is the importance of starting on a limited scale in order to test the management procedures in practice. Beginning with several months of limited operations allows revision of the procedures and adaptation to unforeseen complications. This avoids the potential difficulty of revising procedures on a large scale, or worse yet, problems developing on a large-scale.

In Eastern Province, the initial implementation included six RHCs. Only after six months of operations was this initiative expanded. Even after testing and improving procedures, expansion must be carefully planned to be sure that supporting logistics and monitoring functions can keep up with increased demands.

Annex D includes a checklist used in operationalizing RHCs, along with an annotated copy that includes suggestions and reminders for developing an appropriate checklist.

Guiding Principles

- > Implementation that is phased in slowly allows a chance to test and refine procedures.
- > RHCs must be given all the resources needed to succeed. Sometimes the missing element may be something as simple as having a file folder to store receipts, so that they do not get lost.
- > Using management tools (checklists, worksheets) appropriately can increase the success rate. Using a tried and tested formula, rather than leaving it to individuals to decide how to manage a situation, increases the likelihood of success.

7. Monitoring

Developing an operation that allows for effective, ongoing monitoring was an important consideration in the design of management procedures. Regular monitoring should not rely on outside support, but should be part of internal operations. All stakeholders should be involved in ongoing monitoring. Incorporating self-monitoring into operations helps to increase the sustainability of the initiative and the responsibility of the managing organization.

Effective monitoring should track all aspects of operations, including:

- ✓ Difficulties and problems in day-to-day management
- ✓ Quantity of products sold
- ✓ Trends in sales by facility, season, promotions
- ✓ Availability of stocks
- ✓ Funds collected
- ✓ Discrepancies in stocks or funds

Because of the scope of operations in Eastern Province, an electronic management information system (MIS) is in place to allow easier analysis of stocks, sales trends, discrepancies, etc. Three worksheets were developed to assist in on-going monitoring:

- 1) Monthly Monitoring Information – filled out by RHCs and SFH staff to return information on sales, stocks, and funds to headquarters, which maintains the information in a central database.
- 2) Month-end Checklist – used by RHC staff to conduct month-end reconciliations as a way to check records.
- 3) Worksheet for Monitoring RHCs – used by SFH staff to guide them through key areas of supervisory visits.

Copies of these worksheets are included in Annex E.

Guiding Principles

- > Monitoring that is incorporated into ongoing operations is essential. One-time evaluations may complement monitoring, but should not be considered a substitute as they can be intrusive and require outside support. Effective monitoring is an ongoing tool to improve management.
- > With appropriate tools, HC staff can play a central role in self-monitoring.
- > Depending on the size of operations, consider an electronic database or management information system to assist in management analysis.

Annex A: Record-keeping Forms

This annex contains the seven record-keeping forms for use in tracking ITN sales. The following forms were adapted from existing CBOH forms:

- > Supply Voucher
- > General Receipt
- > Stock Control Card
- > General Ledger Card

The following forms were created for use in the ITN sales.

- > Member Consignment Form
- > Commission Tracking Worksheet
- > Record-keeping Worksheet

SUPPLY VOUCHER

TO (names of Stores): _____	FROM (name of Centre/Ward/Unit/Dept.): _____	
REQUESTED BY: _____	SIGNATURE: _____	DATE: _____
AUTHORIZED BY: _____	SIGNATURE: _____	DATE: _____

ITEM CODE	DESCRIPTION	UNIT	QUANTITY ORDERED/ WITHDRAWN	QUANTITY SUPPLIED	REMARKS (e.g., reason for withdrawal)

APPROVED BY: _____	ISSUED BY: _____	DELIVERED BY: _____	RECEIVED BY: _____
DATE: _____	DATE: _____	DATE: _____	DATE: _____

GENERAL RECEIPT

DISTRICT HEALTH MANAGEMENT BOARD

P.O. Box 810093, Tel 271199

Centre

Date

RECEIVED from

The sum of Kwacha

K

Address/village

For the credit of

Details and references

STAMP

Signature

Designation

Use ink or indelible pencil only. No erasures allowed.

STOCK CONTROL CARD

Item Description _____ Strength _____
 Unit: _____ Code: _____ Price: _____
 Maximum Level: _____ Re-order Level _____

Date	Ref No.	From/ To:	Received	Issued/ Returned/ Withdrawn	Balance in Stock	Signature	Remarks

CENTRAL BOARD OF HEALTH**GENERAL LEDGER CARD**

Location _____ **Location No.** _____

Type of Account (circle as appropriate) **Income** **Expenditure** **Imprest**

Name of Imprest Holder (if applicable) _____

Account Name (Level/ Cost Centre/ Cost Item) _____

Account No. _____

Date	V/N	Details	Budget	Debit	Credit	Balance

COMMISSION TRACKING WORKSHEET
Distribution of PowerNet and PowerChem

NHC _____

RHC _____

Commission Rates: Nets _____

Sachets _____

Month/Year	Nets Sold	Commission Due on Nets	Sachets Sold	Commission Due on Sachets	Total Commission	Signature indicating NHC Receipt of Commission

RECORD-KEEPING WORKSHEET
Distribution of PowerNet and PowerChem
RHC _____

Month/Year _____

Date	Sales to Individuals ONLY				Sales By NHC Members						Cash at RHC
	Nets Sold	Sachets Sold	Cash Collected	Month-to-Date	Nets Sold	Month-to-Date	Sachets Sold	Month-to-Date	Cash Collected	Month-to-Date	
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
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19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
Total											

Annex B: Procedures Manuals

This annex contains two procedures manuals for organizing ITN sales:

- > Procedures for Financial Management and Administration
- > Problem Resolution Procedures

PROCEDURES FOR FINANCIAL MANAGEMENT AND ADMINISTRATION

Distribution of PowerNet and PowerChem

May 1999

**Society for Family Health
Partnerships for Health Reform**

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I. Overview of Distribution System

The distribution system for PowerNet and PowerChem is designed so it is integrated into the overall management of rural health centers, financially sustainable (or nearly so), and community-oriented. The distribution system involves five actors:

- 1) **Society for Family Health (SFH)**
SFH will be the central storage and distribution point for the nets and insecticide. It will conduct all aspects of implementation, including coordination of an IE&C campaign, training, follow-up evaluation, and procurement of new nets as necessary. SFH may also provide transport of the nets/insecticide to the RHCs, as necessary.
- 2) **District Health Management Team (DHMT)**
The DHMT will oversee the distribution of nets and insecticide from the Central Office in Chipata to the RHCs.
- 3) **Rural Health Center (RHC)**
The RHC manages the distribution of nets and insecticide to the members, as well as direct sales to individuals at the RHC. It is also responsible for proper accounting and banking of fees collected.
- 4) **Neighborhood Health Committee (NHC)**
The NHC will select appropriate members to distribute nets within their communities and will assist in oversight of the members.
- 5) **NHC Members (Members)**
The members will be responsible for sales of the nets and insecticide within their communities. The members will also train purchasers on proper usage and insecticide treatment of the nets, and will record important information about the purchasers.

II. Detailed Procedures for Each Transaction

II-A. Procedures for Distribution of Nets/Insecticide from SFH to RHCs

The DHMT oversees the distribution of nets and insecticide from SFH to the RHC. The very first allocation of the nets/insecticide will be initiated by the SFH and the DHMT, who together will transport nets to the RHCs. Even for the initial distribution, the Supply Voucher should be signed by all parties for tracking purposes, and the DHMT should oversee recording of stocks in Stock Control Card (Step 10).

After the first allocation initiated by SFH, it is up to the RHC to inform the DHMT when it needs to replenish its supply of nets/insecticide. An initial donation of 400 nets and 400 sachets will be made, thereafter, the RHC will pay for additional nets and insecticide sachets.

Steps:

- 1) When stocks are low at the RHC, the Environmental Health Technician (EHT) in the RHC informs the DHMT that it needs a resupply of nets/insecticide.
- 2) A representative from the DHMT goes to SFH to get additional stocks.

- 3) At SFH, the DHMT representative fills out a **Supply Voucher** in triplicate.
- 4) SFH confirms that the products requested are available, and that a vehicle is available to transport the products to the RHC. *If stocks are not available, then the DHMT must return another time when stocks are available. No further action is taken.*
- 5) The Project Coordinator and ITN Product Specialist at SFH sign the **Supply Voucher** authorizing approval of the request.
- 6) Staff at SFH releasing the stocks signs the **Supply Voucher**.
- 7) **Supply Voucher** is signed by the DHMT person receiving the products. *With this final signature, the stocks are released. SFH will keep a copy of the final Supply Voucher and the DHMT will take two copies (one for the DHMT and one for the RHC).*
- 8) An SFH vehicle, with the DHMT representative, will transport the stocks to the RHC.
- 9) Upon arrival at the RHC, a RHC staff signs the **Supply Voucher** to confirm receipt of the stocks. *One copy of the Supply Voucher remains with the RHC and the DHMT takes the other copy.*
- 10) DHMT representative oversees the EHT or another RHC staff as they enter the stocks in the RHC's **Stock Control Cards**. *The RHC should maintain separate Stock Control Cards for family size nets, double size nets, and for insecticide sachets.*
- 11) All supplies after the initial free donations will be recorded in the **General Ledger Card**. The cost of each net, multiplied by the number of nets received, will be debited from the balance shown on the **General Ledger Card**.

Rules:

- 1) A RHC may only request additional stock if it has fewer than 100 nets remaining.

II-B. Procedures for Consignment of Nets/Insecticide from the RHC to Members

The NHC selects members of the community to distribute the nets/insecticide within the community. Each selected member goes directly to the RHC to obtain stocks for sale within their community.

Steps:

- 1) NHC provides to the RHC the names of the persons authorized to sell nets.
- 2) Using this list, the RHC prepares a **Member Consignment Form** for each of the named persons.
- 3) When selected members come to the RHC to request nets, the RHC staff verify the person's identity and verify that he has an Individual Stock Card. *If there is no **Member Consignment Form**, then RHC must contact the NHC to see whether this person is authorized to distribute the nets/insecticide. The **Member Consignment Form** must show **no** outstanding nets, otherwise additional nets may not be issued and no further steps are taken.*
- 4) Once the **Member Consignment Form** is located showing no outstanding nets, the member may be issued 10 nets and insecticide sachets. The items issued are recorded on the **Member Consignment Form**, which the member signs indicating that he has received the stocks.
- 5) Member signs the **Stock Control Card**, indicating that he is the person receiving the nets.

Rules:

- 1) No stocks may be issued unless the Member Consignment Form is located showing no outstanding nets/insecticide.
- 2) A Member may only be issued 10 nets at one time.

- 3) If a RHC has two or more members with nets outstanding and no cash deposited for more than two months, then it will no longer issue additional stocks on consignment until the outstanding nets from the delinquent members are cleared. **In this case, the RHC will notify the chairman of the NHC whose member has outstanding nets for his assistance in retrieving the nets or funds. The RHC will also notify SFH of such outstanding nets. Only SFH will be able to authorize the RHC to restart net consignments.**

II-C. Procedures for Sale of Nets/Insecticide by the NHC Members to Individuals in their Communities

NHC members will sell nets to people within their communities. At the time of sale, the member will demonstrate to the purchaser the proper way to use the net and treat it with insecticide.

Steps:

- 1) When a member sells nets/insecticides to a person in his community, a **Receipt** is issued to the Purchaser. The **Receipt must indicate:**
 - a) the name of the individual making the purchase
 - b) the name of the Village where the individual lives
 - c) the amount of cash received and the quantity of each product sold (such as two nets and two sachets), to be included under the lines of “Purpose” and “References and Details”

Rules:

- 1) The Receipt is filled out in quadruplicate (four copies). One copy goes to the Purchaser. The remaining three are for the RHC, SFH, and the member.
- 2) Sales can only be made in exchange for cash. There will be no in-kind sales in exchange for goods. If the RHC can identify someone who would convert the goods to cash, then Purchasers should first sell the goods for cash, and use the cash for the purchase.

II-D. Procedures for Direct Sale of Nets/Insecticide from the RHC to Individuals

In addition to distribution of nets/insecticide through NHC members, the RHC will also sell products directly to individuals at the RHC. The RHC staff should demonstrate to the Purchaser the proper way to use the net and treat it with insecticide.

Steps:

- 1) When a RHC staff sells nets/insecticides to an individual at the RHC, a **Receipt** is issued to the individual. The **Receipt must indicate:**
 - a) the name of the individual making the purchase
 - b) the name of the Village where the individual lives
 - c) the amount of cash received and the quantity of each product sold (such as two nets and two sachets), to be included under the lines of “Purpose” and “References and Details”
- 2) At the end of each day, the RHC totals all receipts issued that day and checks that it equals the cash collected.

Rules:

- 1) The Receipt is filled out in triplicate (three copies). One copy goes to the Purchaser. The remaining two are for the RHC and SFH.
- 2) Sales can only be made in exchange for cash. There will be no in-kind sales in exchange for goods. If the RHC can identify someone who would convert the goods to cash, then Purchasers should first sell the goods for cash, and use the cash for the purchase.
- 3) All funds collected must be banked, with the exception of use in paying commissions to the NHCs.

II-E. Procedures for Members Depositing Funds at the RHC

A member may deposit his cash from the sale of nets at the RHC as often as he likes. For example, he may deposit the funds after selling two nets or he may wait until he has sold all 10 nets before returning the funds to the RHC. A member should deposit all funds from his sales with the RHC. Once the funds are collected from the member, the amount of the member's commission can be paid immediately to the member. It is up to each NHC to inform the RHC of the split of the commission between the member and the NHC.

Steps:

- 1) When a member deposits funds from sales of nets at the RHC, he brings with him the book of **Receipts** issued to Purchasers. The RHC Staff signs the **Receipts** in triplicate.
- 2) The RHC keeps two copies of the signed **Receipt**, one for its own records, and another to be forwarded to SFH. The member keeps a signed copy of the **Receipt** in the book, as proof of depositing the funds at the RHC.
- 3) Cash received and stocks sold should be recorded in the member's **Member Consignment Form**. The amount of the cash deposited, which should be given back to the member for commission is calculated on the Member Consignment Form. The member should ensure that it is properly recorded.
- 4) Once the **Member Consignment Form** is completed, the RHC staff can return the amount of the commission to the member.
- 5) At the end of each day, the RHC totals all receipts collected that day and checks that it equals the cash collected.

Rules:

- 1) The RHC should collect only those funds from the sales, net of the member's commission. The portion of the commission allocated to the NHC will be deposited with the RHC.
- 2) The member should ensure that the Receipts are properly signed and the Member Consignment Form indicates the cash recorded.
- 3) All funds collected must be banked, with the exception of use in paying commissions to the NHCs.

II-F. Procedures for Distribution of Commissions from the RHC to NHCs

At the end of each month, the RHC should total up the commissions due to each of the NHCs. This is done by reviewing Member Consignment Forms of that NHC's members. Recording of commissions distributed to the NHCs is done on the Commission Tracking Worksheet.

Steps:

- 1) A **Commission Tracking Worksheet** should be started for each NHC.
- 2) At the end of each month, separate the **Member Consignment Forms** by each of the NHCs. Count the '0's (zeroes) indicated under the columns 'Nets Outstanding' and 'Sachets Outstanding' for that month for all members of each NHC. Multiply the number of zeroes by 10 (ten) – this represents the numbers of nets and sachets sold by members of that NHC.
- 3) Record the total of each product sold and calculate the commission on the **Commission Tracking Worksheet**. Calculate the commission for each product by multiplying the commission per net/sachet by the total number sold. The commissions for the nets and insecticides are added to calculate the total commission due to a NHC.
- 4) Once the commissions are calculated for each NHC, the RHC calculates the total commissions for all NHCs due that month, and sets aside the exact amount of funds for payment of commissions in a clearly marked envelop. The funds set aside are recorded on the **General Ledger Card**.
- 4) When a NHC chairman goes to the RHC to collect funds, he signs the **Commission Tracking Worksheet** indicating that he has received the funds.

Rules:

- 1) Commissions are issued to the NHCs after its members have sold lots of 10 nets/insecticides.
- 2) Commissions calculations should be completed by the 5th day of the following month, so NHCs can come collect the funds.
- 3) It is up to the NHC to go to the RHC to collect the funds.
- 4) Funds for payment of NHC commissions will be deducted from the first banking of each month, entered on the General Ledger Card, and set aside in a separate envelop marked "NHC Commissions".

II-G. Procedures for Banking of Funds Collected

The RHC is responsible for banking all funds collected from sales of nets/insecticide. The Bank Account should have at least two signatories – one official of SFH, and one official of the DHMT. This bank account is set aside to be used only to purchase additional nets and insecticides. Banking of the funds collected from the sale of nets/insecticide should be done at the same time of the regular visits to the DHMT.

Steps:

- 1) The amount of cash to be banked should be indicated on the **Record-keeping Worksheet**. For example, if the total funds collected from August 4-8, totaling K30,000 are banked on August 9, then it should be indicated under the “Cash Banked – Dates of Collection” column on the Worksheet. On the line for the 9th, enter “30,000 – 4-8, Aug”.
- 2) The funds to be banked are also entered on the **General Ledger Card**, to be used for tracking funds deposited in the bank account.
- 3) A second staff member should check all calculations of funds collected since the last date of banking and count the cash to be leaving the RHC before the staff person can leave.
- 4) A Receipt issued by the bank should be kept in safe-keeping.

II-H. Procedures for Maintaining the General Ledger Card

The General Ledger Card is used to track the total funds banked by the RHC. The funds will be used by SFH to purchase new nets once the donated stocks are depleted.

Steps:

- 1) Each day, any cash banked is recorded on the General Ledger Card, with the following details:
 - a) Date – fill in date of banking
 - b) Details – enter the dates of collections being banked
 - c) Credit – enter the total cash banked
 - d) Balance – enter the new balance

For example, on August 16, the funds collected from August 11-15, totaling K30,000 are taken to be banked. The General Ledger Card should be updated as follows:

Date	V/N	Details	Budget	Debit	Credit	Balance
						50,000
16/8/98		Banked funds for 11-15/8			30,000	80,000

- 2) For the first banking of each month, once the total commissions due to NHCs for the previous month are calculated, the cash banked will be decreased by the total commissions. These funds should be set aside to be collected by the NHC chairmen. The General Ledger Card should show:

Date	V/N	Details	Budget	Debit	Credit	Balance
						120,000
4/9/98		Banked funds for 1-3/9				
		funds = 40,000 less commission of 5,000				
		net funds banked = 35,000			35,000	85,000

- 3) Debit (**SUBTRACT**) the cost of nets and sachets received from SFH beyond the initial donated supplies. If the RHC receives 100 nets at a cost of K9,000 each, the General Ledger Card should show:

Date	V/N	Details	Budget	Debit	Credit	Balance
						1,300,000
16/9/98		Rec'd 100 nets from SFH		900,000		400,000

Rules:

- 1) Entries are only made to the General Ledger Card once cash is ready for banking. Cash not yet banked is recorded on the Record-keeping Worksheet.
- 2) All cash must be banked, except that which is set aside for the NHC commissions.
- 4) Funds set aside for NHC commissions will be kept in a separate envelope clearly marked "NHC Commissions".

II-I. Procedures for Reconciliation of General Ledger Card with SFH Statement

Each month, the General Ledger Card must be reconciled against the statement received from SFH. Both the SFH statement and the General Ledger Card reflects the cash balance of the RHC, or the total funds collected minus the funds used to purchase resupplies of nets. All resupplies of nets are done through SFH.

Steps:

- 1) Calculate the end-of-month balance on the **General Ledger Card**.
- 2) Compare the balance against the SFH Statement – the two should be equal. If there is a discrepancy:
 - a) check that the record of deposits on the **General Ledger Card** is the same as shown on the SFH Statement
 - b) check that the record of costs for new resupply of nets and sachets on the **General Ledger Card** is the same as shown on the SFH StatementIf there is a discrepancy that cannot be explained from the RHC records, then notify SFH of the problem. If there is no discrepancy on each transaction, then check for errors in arithmetic.
- 3) If any errors are identified, then the **General Ledger Card** should be adjusted. After adjustments, the balance on the **General Ledger Card** should equal the SFH Statement.
- 4) Notify SFH if the problem cannot be resolved.

Rules:

- 1) A reconciliation of the **General Ledger Card** and the SFH statement must be conducted every month.

II-J. Procedures for Withdrawal of Deposited Funds

Funds deposited in the DHMT Malaria Account may only be used to procure additional stocks of nets/insecticides. These funds will be regularly transferred to a dollar-denominated account to avoid devaluation of the funds due to Kwacha devaluation. Withdrawals from the account will only be made by SFH and the DHMT to procure new nets. Withdrawals for any other reasons will not be allowed.

Small cash expenditures (primarily for transport) should be covered through the RHC's normal Imprest funds from the DHMT. The RHC should coordinate its transport needs to coincide with its other activities to minimize additional transport costs. For example, banking of funds from the nets should be done at the same time staff deposit medical fees at the DHMT.

III. Summary of Essential Forms

1) Supply Voucher

- Usage:** The Supply Voucher is used to obtain stocks of nets/insecticides from SFH.
- Signatures:** SFH is required to authorize approval and release of the stocks. The DHMT representative signs the voucher to indicate receipt of the stocks requested. The RHC staff signs the voucher to indicate receipt at the RHC.
- Maintenance:** SFH, the DHMT, and the RHC maintain copies of the Supply Voucher. The DHMT may sort the Vouchers according to RHC to allow tracking of the stocks sent to each RHC. The RHC should keep the vouchers in chronological order to allow for tracking of when stocks arrived.
- Purpose:** Supply Vouchers allow monitoring of the number of nets sold by each of the RHCs. Supply Vouchers also provide proof that nets were released by the central office, received by the DHMT, and received by the RHC.

2) Stock Control Cards

- Usage:** Stock Control Cards are signed when the DHMT and Central Office delivers nets/insecticides. They are also used when the RHC distributes nets/insecticide to the members. At the end of each day, the total of nets/insecticides sold directly at the RHC to individuals should be recorded on the Stock Control Card.
- Signatures:** When nets and insecticide are received from the central office, the DHMT representative should ensure that the stocks are recorded in the Stock Control Card. When nets/insecticide are distributed to members, the member should sign the Stock Control Card indicating he is the person receiving the stocks.
- Maintenance:** The RHC maintains the Stock Control Cards. Once a month, the balance on the Stock Control card should be checked against other records and actual stocks on hand.
- Purpose:** Stock Control Cards allow monitoring of the nets and insecticide. There should be separate Stock Control Cards to track family size nets, double size nets, and insecticide sachets. The RHC is responsible for accurate stock control.

3) Member Consignment Form

- Usage: Member Consignment Forms are signed whenever the RHC releases nets to a member or when a member deposits funds at the RHC.
- Signatures: When a member receives nets from the RHC, he signs his Member Consignment Form as proof that he received the nets. When a member returns funds to the RHC, RHC staff records the funds on his Member Consignment Form, and signs next to the receipt of funds – *the member should ensure that this is done, as that serves as proof of deposit of the funds.*
- Maintenance: The RHC arranges the Member Consignment Forms according to the NHC of the member.
- Purpose: Member Consignment Forms allow a summary of each member's performance, the number of nets taken, the number outstanding, the cash received, etc. It is used to see which members have long outstanding nets.

4) Receipts and Receipt Book

- Usage: Receipts are given by the RHC to individuals who purchase nets/insecticide directly at the RHC. The members issue Receipts to Purchasers when the Purchaser pays him for nets/insecticide.
- Signatures: Receipts given by the RHC will be signed by the RHC staff issuing the receipt. Receipts given by the salespeople to customers will be signed by the salesperson issuing the receipt. When the member deposits funds with the RHC, the RHC staff also signs the copies of the Receipts the member has given to Purchasers.
- Maintenance: Each person receiving a Receipt should retain the receipt as it is proof of payment or deposit of cash. The RHC should maintain the receipt book and copies of Receipts collected from the members and conduct daily check of cash collected against the receipt book. The member should retain his receipt book as a record of all his sales.
- Purpose: Receipts act as proof of payment. They also allow a RHC and member to have a record of cash collected.

5) Record-keeping Worksheet

- Usage: The Record-keeping Worksheet is used every day to summarize transactions for the day.
- Signatures: No signatures are required.
- Maintenance: The RHC maintains the Worksheet and updates it daily. The Worksheet should be checked regularly by someone other than the regular staff who maintains it.
- Purpose: It allows recording of the month-to-date totals of nets/insecticide sold directly to individuals and the cash collected from all sources. It also tracks when cash collected is banked.

6) General Ledger Card

Usage: The General Ledger Card is used to track all deposits and withdrawals from the bank account.

Signatures: No signatures are required.

Maintenance: The RHC should conduct a monthly reconciliation of the General Ledger Card against the statement from SFH.

Purpose: The General Ledger tracks the total funds collected by the RHC, less funds used for purchasing new nets.

7) Commission Tracking Worksheet

Usage: The Commission Tracking Worksheet is used to calculate commissions due to NHC and to track the payment of commissions.

Signatures: The NHC chairman signs the Commission Tracking Worksheet whenever he collects his commissions.

Maintenance: The RHC maintains a Commission Tracking Worksheet for each NHC.

Purpose: The signature of the NHC chairman is proof that he has collected the commissions.

IV. Administrative Checklists for the RHCs

Daily Checklist

- 1) Complete Record-keeping Worksheet
- 2) Check that total cash collected from direct sales (in Receipt Book) plus total cash collected from members (copies of Receipts from members) equals actual cash on hand
- 3) Record total nets/sachets sold directly to individuals on the Stock Control Card
- 5) Update the General Ledger Card to reflect cash banked

Monthly Checklist

- 1) Calculate Commissions to be distributed to NHCs
- 2) Set aside funds for payment of commissions and record on General Ledger Card
- 3) Reconcile Stock Control Cards with all other Record-keeping with actual stocks on hand

Stocks at Beginning of Month

<i>minus</i>	total sold to individuals (from Record-keeping Worksheet)
<i>minus</i>	total stocks distributed to members (from total of the Member Consignment forms for all members)
<i>plus</i>	<u>total new stocks (from Supply Vouchers)</u>
	= End of Month Stocks

This calculation of End of Month Stocks must equal the end of month stocks shown on the Stock Control Cards and the actual physical stocks on hand. This reconciliation confirms that all record-keeping is accurate.

- 4) Review Members' Consignment Cards
 - a) Identify all members' with no activity (no cash deposited) for the month
 - b) Notify NHC of these members
- 5) Reconcile General Ledger Card with SFH statement

PROBLEM RESOLUTION PROCEDURES

Distribution of PowerNet and PowerChem

**Society for Family Health
Partnerships for Health Reform**

PROBLEM RESOLUTION PROCEDURES
Distribution of PowerNet and PowerChem

I Retrieving Nets/Funds from NHC Members

- 1) *If a member does not return any funds to the RHC for one month*, then the RHC should contact the NHC chairman, requesting that the chairman visit the member and encourage him to sell his outstanding nets and/or return any money he has collected from previous sales. The RHC should also inform SFH of the situation.

- 2) *If a member still does not turn in any money after two months*, the NHC chairman and SFH should go to the member to collect his unsold nets or cash.

- 3) *If after two months the member cannot turn over unsold nets or money*, then SFH and the NHC chairman should inform the Chief, and request that the Chief set a penalty (seizing an equivalent value of property). The Chief should then convert that property to cash and repay what is owed to the RHC. After paying the RHC, any funds leftover from the sale of seized property will be returned to the member.

- 4) *If the Chief does not take action after two weeks of informing him*, then SFH and the NHC chairman will inform the Paramount Chief and request that he take action or direct the Chief to take action.

- 5) If there is still no resolution two weeks after informing the Paramount Chief, SFH and the NHC chairman will refer the case to the Magistrate Court.

II Missing Records at the RHC

The RHC must immediately inform DHMT and SFH (through the DHMT if necessary) any time it discovers that records are missing. It is up to SFH to investigate and assist the RHC in reconstructing its records.

If at anytime more than one form is missing, which prevents SFH from reconstructing the records (for example a Member Consignment Form is missing and the Stock Card is missing, so one cannot trace when this member took out nets), then there is reason to suspect theft and a thorough investigation will be carried out. The investigation will follow the guidelines for the loss of stocks or funds.

- 1) *If a Member Consignment Form is missing*, SFH, together with the RHC, will reconstruct the Member Consignment Form by reviewing the Stock Control Cards and Receipts collected from members. That is, the Stock Control Cards will be reviewed to identify the last time the member was issued nets. Then, all the Receipts will be checked to find all the cash that the member has returned to the RHC from that last consignment. If such a reconstruction does not produce records that are agreeable to the member, the member will be asked to produce his Receipt Book to prove other instances of money he has turned in to the RHC. If the member cannot prove otherwise, this reconstruction will be considered the final record of Outstanding Nets.

- 2) *If a Stock Card is missing*, SFH, together with the RHC will reconstruct the Stock Card by reviewing the Supply Vouchers, the Record-keeping Worksheet, and the Member Consignment Forms. If possible, such a recreation of the Stock Card should be independently done by two people, and the results reconciled. If after such a recreation of the Stock Card that is deemed accurate, the physical stocks is less than the Stock Card balance, the case should be treated as one of a loss of stocks, and the guidelines for loss should be followed. If the physical stocks are greater than the Stock Card balance, then the Stock Card should be rechecked. If there is no discrepancy found, then the physical stocks will be considered the final and accurate balance.
- 3) *If a Record-keeping Worksheet is missing*, SFH, together with the RHC will reconstruct it by reviewing the RHC Receipt Book of sales to individuals, the Member Consignment Forms, and the General Ledger Card. If possible, such a recreation should be independently done by two people, and the results reconciled.
- 4) *If the Receipt Book is missing*, then the data from the Record-keeping Worksheets will be considered final.
- 5) *If a Commission Tracking Worksheet is missing*, then SFH, together with the RHC will recreate it from the Member Consignment Forms. The General Ledger Card should also be reviewed, as it has records of the funds set aside for commissions. For example, if the commissions set aside for June was K40,000, and the Commission Tracking Worksheets for 7 out of 8 NHCs total K35,000, then the missing Commission Tracking Worksheet should have had commissions of K5,000 for May. There will no longer be proof that the NHC chairman actually received the funds, however, it will be assumed that all NHCs collect their commissions within one month of the calculation of commissions.
- 6) *If a Supply Voucher is missing*, SFH will supply a photocopy from its records.
- 7) *If a General Ledger Card is missing*, SFH, together with the RHC will reconstruct it using the Record-keeping Worksheet. It should also check the recreated General Ledger Card against the bank statement.

III Loss of Stocks or Funds

Any time there is a discrepancy with the records that cannot be resolved (such as the physical stocks of nets is less than the Stock Control Card or the cash on hand is less than the Record-keeping Worksheet), the RHC must inform the DHMT and SFH (through the DHMT if necessary) immediately.

SFH will assist the RHC to see whether there are any errors in its records. If it is determined that the records are correct, but the funds or stocks are missing, SFH and the NHC chairman will investigate the situation to determine whether the problem is a result of negligence or theft. SFH and the NHC chairman should make its determination carefully, conducting a thorough investigation and considering all possible evidence, as theft is a serious charge.

If it is determined that the loss is due to negligence, and the loss is only one net (or its equivalent value), the person responsible should receive a warning, and receive additional training in the procedures. If there is another loss involving this person within three months of the negligence finding, then SFH and the RHC should consider removing the staff person responsible, as described below.

If it is determined that the loss is due to theft, the person responsible should be removed immediately. The DHMT should be immediately informed of the decision. Although SFH and the NHC chairman cannot suspend this staff from his/her position, they can prevent him/her from all transactions dealing with PowerNet. The DHMT should follow its internal procedures for investigation of theft and corruption, including reporting the incident to the Regional Directorate and the Chief Internal Auditor of the CBOH. A separate DHMT/CBOH investigation will be undertaken to see whether this staff should be removed entirely from his/her position.

If the theft cannot be proven to be the responsibility of one individual, the RHC should receive a warning. If there is another loss involving this RHC within three months of the first incident of theft, then SFH and the RHC should consider suspending PowerNet distribution at this RHC.

It is up to SFH and the NHC chairman to monitor the funds and stocks at the RHC. If there is a pattern of loss, or a single incident of a substantial loss (greater than K50,000), SFH should carefully consider suspending distribution through that RHC. Losses cannot be tolerated, as they threaten the long-term sustainability of this initiative.

Annex C: Training Materials

This annex contains the following training guides:

- > Guide for Training Rural Health Center Staff
- > Guide for Training Neighborhood Health Committees

GUIDE FOR TRAINING RURAL HEALTH CENTER STAFF
Distribution of PowerNet and PowerChem

- I. Overview – Roles of each Organization/Group
- II. Procedures related to exchange of nets and stocks
 - a. distribution of nets from EPIMI to RHC – Supply Voucher and Stock Control Card
 - b. consignment of nets to NHC members – Stock Control Card and Member Consignment Form
 - c. members depositing funds at the RHC – stamp and collect Receipts and Member Consignment Form
 - d. direct sales of nets to individuals – issue Receipt (replicate a Receipt on a flipchart and have someone fill it out – go over 4 critical items)
 - e. Exercise One
- III. Role Plays
 - a. 2 people to act as members to get consignment of nets
 - b. 2 people to come back after selling some (less than 10) nets to deposit funds
 - c. 1 person to come back after selling all nets to deposit funds and request another consignment
 - d. 1 person to request additional nets even though she has outstanding nets
- IV. Record-keeping Worksheet (*only fill out at end of day – set a time for each RHC*)
 - a. give examples about selling to individuals and have staff fill out worksheet – on the 4th, you sold 3 nets to individuals, and on the 5th, you sold 8 nets to individuals, etc. – do at least 3 days and more if they seem uncertain
 - b. give examples about collecting cash from members (at least 3 days)
 - c. after you have funds collected for 2-3 days, give an example about banking fees
- V. Banking of Funds and General Ledger Card
 - a. record funds banked on the Record-keeping Worksheet
 - b. go over how to fill out General Ledger Card
 - c. Exercise Two
- VI. Distribution of Commissions to NHCs
 - a. Commission Tracking Worksheet (one for each NHC) – count zeroes under the “Nets Outstanding” column of all members in each NHC
 - b. take funds out of next banking, and record on General Ledger Card
 - c. set aside funds in specially marked envelope
 - d. Exercise Three

VII. Daily Checklist

- a. Record-keeping Worksheet
- b. Record nets sold to individuals on the Stock Control Card
- c. Check cash on hand against total funds from direct sales to individuals plus total collected from members

VIII. Monthly Checklist

- a. Bank Reconciliation – Exercise Four
- b. Stock Reconciliation – Exercise Five
- d. Review other month end items – commissions, and reviewing Member Consignment Cards

GUIDE FOR TRAINING NEIGHBORHOOD HEALTH COMMITTEE MEMBERS
Distribution of PowerNet and PowerChem

- I Introduction – Attendance List (Each participant signs in for his neighbor as the neighbor announces his name to ensure that all participants can write.)
- II Overview – Roles of Each Organization/Group
- III Demonstration of Net Dipping
- IV Filling in a Receipt – Four key elements
 - > Name
 - > Village
 - > Nets and sachets sold
 - > Total amount collected
- V Procedures for Returning Funds to the RHC
- VI Each NHC Member Fills Out Receipt for Review

Exercise One – Basic Distribution System

1. Who does the RHC contact when its net/insecticide stocks are low? _____
2. What is the role of the NHC? _____
3. The Mwase RHC contacted the DHMT yesterday to request additional stocks of nets. The nets now arrive at the RHC. What must be done?
 - a) _____
 - b) _____
4. A member has come to collect more nets to sell within his community. The RHC staff checks the Member Consignment Card and finds that he still has two nets outstanding, for which he has not yet turned in cash. How many new nets may be issued to this member? _____
5. The prices charged are K9,000 for each net and K2,000 for each insecticide sachet. The commission to be split between the members and the NHCs is K1,000 per net and K500 per sachet sold. Mr. Phiri is a member of the Kanyama NHC. At that NHC, it has been decided that of the total commission, the member will keep K500 for each net sold, and K300 for each sachet sold, with the rest to go to the NHC. Mr. Phiri comes to the RHC to deposit funds from the sale of 4 nets and 6 sachets. How much should the RHC collect from him?

Nets	_____
Sachets	_____
Total	_____
6. The RHC sells two nets and two sachets to Mrs. Matonga from Kapiri village. Please fill out a proper receipt for her.

Exercise One, Question 6

GENERAL RECEIPT

DISTRICT HEALTH MANAGEMENT BOARD
P.O. Box 810093, Tel 271199

Centre

K

Date

RECEIVED from

The sum of Kwacha

Address/village

STAMP

For the credit of

Details and references

Signature

Designation

Use ink or indelible pencil only. No erasures allowed.

Exercise Two – Overall Record-keeping

Below is a list of all the activities at the Mwase RHC for August 2-5.

Record each activity, one at a time, on the Stock Control Card, Record-keeping Worksheet, Member Consignment Form and General Ledger Card, as necessary.

August 2

- 1) Mrs. Mwanza, a member, collects 10 nets and 10 sachets for sale.
- 2) The RHC sells 5 nets and 5 sachets directly to individuals

August 3

- 1) The RHC receives 200 nets and 200 sachets from EPIMI, which it had previously requested.
- 2) The RHC sells 3 nets and 3 sachets directly to individuals.

August 4

- 1) Mrs. Mwanza comes to deposit funds from the sale of 4 nets and 4 sachets.

August 5

- 1) The RHC sells 5 nets and 5 sachets directly to individuals.
- 2) The RHC banks the fees collected from 2-4 August.

Exercise Two, Page 2 of 5

RECORD-KEEPING WORKSHEET

RHC _____

Month/Year _____

Date	Sales to Individuals ONLY				Sales By NHC Members						Cash at RHC
	Nets Sold	Sachets Sold	Cash Collected	Month-to-Date	Nets Sold	Month-to-Date	Sachets Sold	Month-to-Date	Cash Collected	Month-to-Date	
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
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19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
Total											

CENTRAL BOARD OF HEALTH	HEALTH REFORMS AT WORK
--------------------------------	-------------------------------

STOCK CONTROL CARD

Item Description: <u>Power Net</u> Strength: _____ Unit: _____ Code: _____ Price: _____ Maximum Level: _____ Re-order Level _____

Date	Ref No.	From/To	Received	Issued/ Returned/ Withdrawn	Balance in stock	Signature	Remarks
15-7-98		Sold to individuals		4	136	****	
20-7-98		Consign to M. Phiri		10	126	****	PHIRI
24-7-98		Consign to D. Daura		10	116	****	DAURA
25-7-98		Sold to individuals		8	108		
29-7-98		Consign to Mwange		10	98	****	MWANGE

Exercise Two, Page 4 of 5

STOCK CONTROL CARD

Item Description: <u>Power Chem</u> Strength: _____ Unit: _____ Code: _____ Price: _____ Maximum Level: _____ Re-order Level _____
--

Date	Ref No.	From/To	Received	Issued/ Returned/ Withdrawn	Balance in stock	Signature	Remarks
15-7-98		Sold to individuals		4	168	****	
20-7-98		Consign to M. Phiri		10	158	****	PHIRI
24-7-98		Consign to D. Daura		10	148	****	DAURA
25-7-98		Sold to individuals		10	138		
29-7-98		Consign to Mwange		10	128	****	MWANGE

Exercise Two, Page 5 of 5

CENTRAL BOARD OF HEALTH	GENERAL LEDGER CARD
--------------------------------	----------------------------

Location _____ **Location No.** _____

Type of Account (circle as appropriate) **Income** **Expenditure** **Imprest**

Name of Imprest Holder (if applicable) _____

Account Name (Level/ Cost Centre/ Cost Item) _____

Account No. _____

Date	V/N	Details	Budget	Debit	Credit	Balance

Exercise Three – Commission Tracking

1. Attached are the Member Consignment Cards for two members of the Makishi NHC. Calculate the appropriate commission due to the Makishi NHC for July 1998 and enter it on the Commission Tracking Worksheet.

3. In addition to the commissions due to the Makishi NHC, the Mwase RHC also has calculated that the commissions due to the Nyangwe NHC are K8,000, and another K7,000 in commissions are due to the Luangwa NHC. What are the next steps to be taken?

4. Record the funds set aside on the General Ledger Card.

5. What must the NHC chairman do when he comes to collect his commission?

Why? _____

Exercise Three, Page 3 of 4

COMMISSION TRACKING WORKSHEET

NHC Makishi

RHC _____

Commission Rates: Nets 400

Sachets 200

Month/Year	Nets Sold	Commission Due on Nets	Sachets Sold	Commission Due on Sachets	Total Commission	Signature indicating NHC Receipt of Commission

Exercise 4 – Reconciliation of Bank Statement

Below is the most recent Bank Statement and attached is the General Ledger Card for Mwase RHC. Please conduct a proper reconciliation. Note any problems.

SAMPLE BANK STATEMENT

Account: Mwase RHC

Period: 1 July-31 July, 1998

	Deposits	Withdrawals	Balance
30 June			56,000
6 July	14,000		70,000
15 July	25,000		95,000
20 July bank fees		2,000	93,000
23 July	22,000		115,000
28 July	12,000		127,000
31 July interest	1,000		128,000 End Balance

Exercise Four

CENTRAL BOARD OF HEALTH	GENERAL LEDGER CARD
--------------------------------	----------------------------

Location Mwase RHC Location No. _____

Type of Account (circle as appropriate) **Income** **Expenditure** **Imprest**

Name of Imprest Holder (if applicable) Mwase RHC

Account Name (Level/ Cost Centre/ Cost Item) _____

Account No. _____

Date	V/N	Details	Budget	Debit	Credit	Balance
30-6						56,000
6-7		Deposit			14,000	70,000
15-7		Deposit			25,000	95,000
23-7		Deposit			22,000	116,000
28-7		Deposit			12,000	128,000

Exercise Five – Month-end Reconciliation and Review

1. The total stocks at the Mwase RHC on July 1, 1998 were 150 nets and 180 insecticide sachets. Attached is the Record-keeping Worksheet for July 1998. Also attached are the Supply Vouchers, Commission Tracking Worksheets, and the Stock Control Cards. Please conduct a proper reconciliation of the stocks.

	NETS	SACHETS
Stocks at beginning of month	_____	_____
minus sold to individuals	_____	_____
minus distributed to members	_____	_____
plus additional stocks	_____	_____
End of Month Stocks	_____	_____

2. Attached are the Member Consignment Forms at the Mwase RHC. Review the activity and see whether the NHC chairman must be notified of members who were inactive in July.

Exercise Five, Question 1, Page 1 of 10

RECORD-KEEPING WORKSHEET

RHC Mwase

Month/Year July 1998

Date	Sales to Individuals ONLY				Sales By NHC Members						Cash at RHC
	Nets Sold	Sachets Sold	Cash Collected	Month-to-Date	Nets Sold	Month-to-Date	Sachets Sold	Month-to-Date	Cash Collected	Month-to-Date	
1	0		0								
2	0		0								
3	0		0								
4	0		0								
5	0		0								
6	0		0								
7	4	4	4	4							
8	0	4	0	4							
9	0	4	0	4							
10	0	4	0	4							
11	3	7	3	7							
12	0	7	0	7							
13	0	7	0	7							
14	0	7	0	7							
15	0	7	0	7							
16	0	7	0	7							
17	0	7	0	7							
18	0	7	0	7							
19	0	7	0	7							
20	0	7	0	7							
21	6	13	6	13							
22	0	13	0	13							
23	0	13	0	13							
24	0	13	0	13							
25	0	13	0	13							
26	0	13	0	13							
27	0	13	0	13							
28	0	13	0	13							
29	0	13	0	13							
30	0	13	0	13							
31	0	13	0	13							
Total		13		13							

Empty information is not included because it is not necessary for this exercise.

Exercise Five, Question 1, Page 3 of 10

COMMISSION TRACKING WORKSHEET

NHC Makishi

RHC Mwase

Commission Rates: Nets 400

Sachets 200

Month/Year	Nets Sold	Commission Due on Nets	Sachets Sold	Commission Due on Sachets	Total Commission	Signature indicating NHC Receipt of Commission
July 1997	10	4,000	10	2,000	6,000	

Exercise Five, Question 1, Page 4 of 10

COMMISSION TRACKING WORKSHEET

NHC Luangwa_____

RHC Mwase_____

Commission Rates: Nets 400_____

Sachets 200_____

Month/Year	Nets Sold	Commission Due on Nets	Sachets Sold	Commission Due on Sachets	Total Commission	Signature indicating NHC Receipt of Commission
July 1997	20	8,000	20	4,000	12,000	

CENTRAL BOARD OF HEALTH

HEALTH REFORMS AT WORK

STOCK CONTROL CARD

Item Description: Power Chem .. Strength: _____
 Unit: _____ Code: _____ Price: _____
 Maximum Level: _____ Re-order Level _____

Date	Ref No.	From/To	Received	Issued/ Returned/ Withdrawn	Balance in stock	Signature	Remarks
1-7-98					180		
3-7-98		Consign to member		10	170	****	CHEE
7-7-98		Sold to individuals		4	166		
8-7-98		From DHMT	200		366		
11-7-98		Sold to individual		3	363		
14-7-98		Consign to member		10	353	****	KOKOMA
14-7-98		Consign to member		10	343	****	PHIRI
19-7-98		Consign to member		10	333	****	KONDO
21-7-98		Sold to individuals		6	327		
24-7-98		Consign to member		10	317	****	MWILA
28-7-98		Consign to member		10	307	****	DAURA

SUPPLY VOUCHER

TO (names of Stores): <u>DHMT</u>	FROM (name of Centre/Ward/Unit/Dept.): <u>Mwase RHC</u>
REQUESTED BY: <u>Mary Kakomo</u>	SIGNATURE: <u>****</u> DATE: _____
AUTHORIZED BY: _____	SIGNATURE: _____ DATE: _____

ITEM CODE	DESCRIPTION	UNIT	QUANTITY ORDERED/ WITHDRAWN	QUANTITY SUPPLIED	REMARKS e.g. reason for withdrawal
	Power Net		200	200	
	Power Chem		200	200	

APPROVED
BY: F Masaninga

ISSUED
BY: D Mumba

DELIVERED
BY: M Phiri

RECEIVED
BY: Kondo

DATE: 8-7-98

DATE: 8-7-98

DATE: 8-7-98

DATE: 8-7-98

ANSWER KEY

Exercise One – Basic Distribution System

1. Who does the RHC contact when its net/insecticide stocks are low? DHMT
2. What is the role of the NHC? The NHC selects members to sell nets/insecticide within their community. The NHC also participates in oversight over the members.
3. The Mwase RHC contacted the DHMT yesterday to request additional stocks of nets. The nets now arrive at the RHC. What must be done?
 - a) The RHC staff signs the Supply Voucher indicating they received the stocks.
 - b) The new stocks must be entered in the Stock Control Card.
4. A member has come to collect more nets to sell within his community. The RHC staff checks the Member Consignment Card and finds that he still has two nets outstanding, for which he has not yet turned in cash. How many new nets may be issued to this member? None – a member may not be issued new nets if he has ANY outstanding.
5. The prices charged are K9,000 for each net and K2,000 for each insecticide sachet. The commission to be split between the members and the NHCs is K1,000 per net and K500 per sachet sold. Mr. Phiri is a member of the Kanyama NHC. At that NHC, it has been decided that of the total commission, the member will keep K500 for each net sold, and K300 for each sachet sold, with the rest to go to the NHC. Mr. Phiri comes to the RHC to deposit funds from the sale of 4 nets and 6 sachets. How much should the RHC collect from him?

Nets	K34,000 = (9000-500[the individual commission]) * 4 nets
Sachets K10,200 =	(2000-300[the individual commission]) * 6 sachets
Total	K44,200
6. The RHC sells two nets and two sachets to Mrs. Matonga from Kapiri village. Please fill out a proper receipt for her.

GENERAL RECEIPT

DISTRICT HEALTH MANAGEMENT BOARD
P.O. Box 810093, Tel 271199

CentreMwase.....

Date6 August, 1998.....

RECEIVED from ...Mrs. Matonga

K

The sum of Kwacha ...Twenty two thousand.....

Address/village Kapiri.....

For the credit of

STAMP

Details and references ...2 nets, 2 sachets.....

Signature ...RHC Staff.....

DesignationIn-Charge.....

Use ink or indelible pencil only. No erasures allowed.

Exercise Two – Overall Record-keeping

Below is a list of all the activities at the Mwase RHC for August 2-5. Please record the activities on the Stock Control Card, Record-keeping Worksheet, Member Consignment Form and General Ledger Card, as necessary.

Exercise Two – Answer Key

CENTRAL BOARD OF HEALTH

HEALTH REFORMS AT WORK

STOCK CONTROL CARD

Item Description: Power Net Strength: _____
 Unit: _____ Code: _____ Price: _____
 Maximum Level: _____ Re-order Level _____

Date	Ref No.	From/To	Received	Issued/ Returned/ Withdrawn	Balance in stock	Signature	Remarks
15-7-98		Sold to individuals		4	136	****	
20-7-98		Consign to M. Phiri		10	126	****	PHIRI
24-7-98		Consign to D. Daura		10	116	****	DAURA
25-7-98		Sold to individuals		8	108		
29-7-98		Consign to Mwangi		10	98	****	MWANGE
2-8-98		Consign to Mwanza		10	88	****	MWANZA
2-9-98		Sold to individuals		5	83		
3-8-98		From DHMT	200		283	RHC Staff	
3-8-98		Sold to individuals		3	280		
5-8-98		Sold to individuals		5	275		

Exercise Two – Answer Key

CENTRAL BOARD OF HEALTH

HEALTH REFORMS AT WORK

STOCK CONTROL CARD

Item Description: Power Chem Strength: _____
 Unit: _____ Code: _____ Price: _____
 Maximum Level: _____ Re-order Level _____

Date	Ref No.	From/To	Received	Issued/ Returned/ Withdrawn	Balance in stock	Signature	Remarks
15-7-98		Sold to individuals		4	168	****	
20-7-98		Consign to M. Phiri		10	158	****	PHIRI
24-7-98		Consign to D. Daura		10	148	****	DAURA
25-7-98		Sold to individuals		10	138		
29-7-98		Consign to Mwange		10	128	****	MWANGE
2-8-98		Consign to Mwanza		10	118	****	MWANZA
2-8-98		Sold to individuals		5	113		
3-8-98		From DHMT	200		313	RHC Staff	
3-8-98		Sold to individuals		3	310		
5-8-98		Sold to individuals		5	305		

Exercise Two – Answer Key

RECORD-KEEPING WORKSHEET

RHC Mwase RHC

Month/Year Aug 98

Date	Sales to Individuals ONLY				Sales By NHC Members						Cash at RHC
	Nets Sold	Sachets Sold	Cash Collected	Month-to-Date	Nets Sold	Month-to-Date	Sachets Sold	Month-to-Date	Cash Collected	Month-to-Date	
1	0	0	0	0	0	0	0	0	0	0	0
2	5	5	55,000	55,000	0	0	0	0	0	0	55,000
3	3	3	33,000	88,000	0	0	0	0	0	0	88,000
4	0	0	0	88,000	4	4	4	4	40,800	40,800	128,800 – bank 5-8
5	5	5	55,000	143,000	0	0	0	0	40,800	40,800	183,800
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
Total											

Exercise Three – Commission Tracking

1. Attached are the Member Consignment Cards for two members of the Makishi NHC. Calculate the appropriate commission due to the Makishi NHC for July 1998 and enter it on the Commission Tracking Worksheet. See attached.
2. In addition to the commissions due to the Makishi NHC, the Mwase RHC also has calculated that the commissions due to the Nyangwe NHC are K8,000, and another K7,000 in commissions are due to the Luangwa NHC. What are the next steps to be taken? 1) Calculate the total commissions due for all NHCs that month – K33,000. 2) Set aside K33,000 in a clearly marked envelop from the next batch of funds for banking for payment to the NHC chairmen. 3) Record the funds set aside on the General Ledger Card.
3. Record the funds set aside on the General Ledger Card. See attached.
4. What must the NHC chairman do when he comes to collect his commission? He must sign the Commission Tracking Sheet next to the month for which he is collecting.
Why? It will serve as proof that he received the funds.

Exercise Four – Reconciliation of Bank Statement

Below is the most recent Bank Statement and attached is the General Ledger Card for Mwase RHC. Please conduct a proper reconciliation. Note any problems.

The Ledger Card could not be reconciled with the Bank Statement because there was an arithmetic error on 23 July. After correcting the arithmetic, the end of month balance on the Ledger Card is K129,000, which reconciles with the Bank Statement after adjustments for fees and interest. Adjustments for fees and interest should be recorded on the Ledger Card.

	<u>Existing Records</u>	<u>Corrected Records</u>
Ledger Card End Balance	128,000	129,000
<i>minus</i> Bank Fees	2,000	2,000
<i>plus</i> interest	<u>1,000</u>	<u>1,000</u>
Net Balance	127,000	128,000

Exercise Five – Month End Reconciliation and Review

1. The total stocks at the Mwase RHC on July 1, 1998 were 150 nets and 180 insecticide sachets. Attached is the Record-keeping Worksheet for July 1998. Also attached are the Supply Vouchers, Commission Tracking Worksheets, and the Stock Control Cards. Please conduct a proper reconciliation of the stocks.

	<u>Nets</u>	<u>Sachets</u>
Stocks at beginning of month	150	180
<i>minus</i> sold to individuals	13	13
<i>minus</i> distributed to members	60	60
<i>plus</i> additional stocks	<u>200</u>	<u>200</u>
End of Month Stocks	277	307

The stock of sachets reconciles with the Stock Control Card, but the stock of nets does not. The Stock Control Card shows 278 nets at month end. There is an arithmetic error in recording the nets balance on 11 July. After correcting for the error, the month-end balance on the Stock Control Card does reconcile with all the other records.

2. Attached are the Member Consignment Forms at the Mwase RHC. Review the activity and see whether the NHC chairman must be notified of members who were inactive in July.

The Kapiri NHC chairman should be notified that Mr. Samuel Mulenga has not deposited any funds at the RHC for the whole month of July.

Annex D: Start-up Checklist for Operationalizing Rural Health Centers

CHECKLIST FOR OPERATIONALIZING RURAL HEALTH CENTERS
Distribution of PowerNet and PowerChem

- _____ 1. Transport all necessary forms/supplies to the RHC
 - _____ a. Member Consignment Form (20-30) copies
 - _____ b. Stock Control Card (10 cards)
 - _____ c. Receipt Books with “Key Elements” (20-30 books – 1 for RHC and 1 for each member)
 - _____ d. Record-keeping Worksheet (5 copies)
 - _____ e. General Ledger Card (5-10 cards)
 - _____ f. Commission Tracking Worksheet (20 copies)
 - _____ g. One copy of Procedures Manual
 - _____ h. One copy of guide to filling out forms
 - _____ i. Carbon paper (25-35 pieces – 2 for each member)
 - _____ j. Paper and Glue for pasting receipts collected from NHC members
 - _____ k. Lockbox
 - _____ l. Administrative Reminders Posters
 - _____ m. File folder for forms
 - _____ n. Flipchart, flipchart stand, markers, pens, prepared blank copies of forms, wide tape for posters (*for training only*)

- _____ 2. Transport stocks of nets and insecticide to RHC and locate place for safekeeping

- _____ 3. Prepare NHCs for training
 - _____ a. Inform NHC so the chairmen and members selling nets can come to RHC at set time for training and collection of nets
 - _____ b. Get list of names of members selling nets
 - _____ c. Confirm commission split between each NHC and its members
 - _____ d. Establish who from each NHC will be collecting commissions

- _____ 4. Coordinate setting up a bank account

- _____ 5. Set up initial forms and storage/filing of forms
 - _____ a. Member Consignment Forms – one for each member named by NHC
 - _____ b. Stock Control Cards – record initial stocks on hand
 - _____ c. Fill out Record-keeping worksheet for first day
 - _____ d. Set up General Ledger Card
 - _____ e. Set up filing system for forms

- _____ 6. Leave procedures manual and guide for filling out forms

- _____ 7. Train and distribute supplies for NHC members
 - _____ a. Receipt Book – one per member
 - _____ b. Carbon paper – two per member
 - _____ c. Posters and brochures
 - _____ d. Training on treatment of nets

CHECKLIST FOR OPERATIONALIZING RHCs (annotated)
Distribution of PowerNet and PowerChem

- _____ 1. Transport all necessary forms/supplies to the RHC
It is difficult to anticipate all of the necessary supplies in advance – some needs may not be evident until operations begin. As much as possible, supplies and tools were given to the RHC staff and NHC members to help organize their work. Reminder posters summarizing procedures were posted in the RHC; covers of Receipt Books noted the key items that must be on every receipt; a divided folder was given to every RHC to help them organize their papers. In preparing a supplies list, it is helpful to envision physically how RHC staff will accomplish each task.
- _____ a. Member Consignment Form (20-30) copies
 - _____ b. Stock Control Card (10 cards)
 - _____ c. Receipt Books with “Key Elements” (20-30 books – 1 for RHC and 1 for each member)
 - _____ d. Record-keeping Worksheet (5 copies)
 - _____ e. General Ledger Card (5-10 cards)
 - _____ f. Commission Tracking Worksheet (20 copies)
 - _____ g. One copy of Procedures Manual
 - _____ h. One copy of guide to filling out forms
 - _____ i. Carbon paper (25-35 pieces – 2 for each member)
 - _____ j. Paper and Glue for pasting receipts collected from NHC members
 - _____ k. Lockbox
 - _____ l. Administrative Reminders Posters
 - _____ m. File folder for forms
 - _____ n. Flipchart, flipchart stand, markers, pens, large blank copies of forms, wide tape for posters (*for training only*)
- _____ 2. Transport stocks of nets and insecticide to RHC and locate place for safekeeping
Prior to delivery of nets, security bars were installed in supply rooms windows, or door locks were repaired in some RHCs to ensure the safekeeping of stocks.
- _____ 3. Prepare NHCs for training
Agree upon time and number of NHC members for training with NHC chairman, and inform him of the literacy requirement.
- _____ a. Inform NHC chairmen and members selling nets of time to come to RHC for training and collection of nets
 - _____ b. Get list of names of members selling nets
 - _____ c. Confirm commission split between each NHC and its members
 - _____ d. Establish who from each NHC will be collecting commissions
- _____ 4. Coordinate setting up a bank account
Ensure that all necessary documentation is ready for the bank and coordinate all signatories to sign bank documents.

- _____ 5. Set up initial forms and storage/filing of forms
It is much easier for RHC staff to maintain a system once it has been established than to initiate a record-keeping and filing/storage system. Presence at the initial net consignments to provide some handholding is useful to establish good habits and ensure that skills are fully absorbed.
- _____ a. Member Consignment Forms – one for each member named by NHC
 - _____ b. Stock Control Cards – record initial stocks on hand
 - _____ c. Fill out Record-keeping worksheet for first day
 - _____ d. Set up General Ledger Card
 - _____ e. Set up filing system for forms
- _____ 6. Leave procedures manual and guide for filling out forms
These materials are useful references to clarify items that may have been forgotten from the training.
- _____ 7. Train and distribute supplies for NHC members
Be sure that each member puts his/her name on his Receipt Book. Ensure that each member fills out a Receipt correctly, and a copy of the correct Receipt remains in the Receipt Book for future reference.
- _____ a. Receipt Book and pen – one per member
 - _____ b. Carbon paper – two per member
 - _____ c. Posters and brochures
 - _____ d. Training on treatment of nets, filling out receipt, returning funds to RHC

Annex E: Monitoring Tools

This annex contains the following tools for monitoring management of ITN sales:

- > Monthly Monitoring Information
- > Month-end Checklist
- > Worksheet for Monitoring Rural Health Centers

MONTHLY MONITORING INFORMATION
Distribution of PowerNet and PowerChem

Name of RHC _____

Month/Year _____

Date of Visit _____

Sales Information (all info from Record-keeping Worksheet)

	Sold to Individuals	Sold By Members	Total
PowerNet			
PowerChem			

Stock Information (all info from Stock Control Card)

	Issued to RHC (number issued)	From (SFH or DHMT)	Consigned to Members	End Balance on Stock Control Card
PowerNet- Double				
PowerNet- Family				
PowerChem				

Funds Information

Total deposits to Bank Account (from actual bank deposit receipts)	
Month-End Balance on General Ledger Card	

MONTH-END CHECKLIST
Distribution of PowerNet and PowerChem

- 1) Calculate Commissions to be distributed to NHCs
- 2) Set aside funds for payment of commissions and record on General Ledger Card
- 3) Reconcile Stock Control Cards *with* all other Record-keeping *with* actual stocks on hand

	Stocks at Beginning of Month	_____
<i>minus</i>	total sold to individuals (from Record-keeping Worksheet)	_____
<i>minus</i>	total stocks distributed to members (from total of the Member Consignment Forms for all members)	_____
<i>plus</i>	<u>total new stocks (from Supply Vouchers)</u>	_____
	= End of Month Stocks	_____

- a) **Does this calculation of End of Month Stocks equal the end of month stocks shown on the Stock Control Cards?**
- b) **Does End of Month Stocks equal the actual physical stocks on hand?**

If not, check all your records for errors. If an error is not found, and the difference cannot be resolved, SFH must be notified.

- 4) Review Members' Consignment Cards
 - a) Identify all members with no activity (no cash deposited) for the month
 - b) Notify NHC of these members
- 5) Reconcile General Ledger Card with bank statement

End of Month Balance on General Ledger Card	_____
<i>plus</i> Interest Paid By Bank	_____
<i>minus</i> Bank Fees	_____
Adjusted End of Month Balance	_____

Does this End of Month Balance equal the bank statement balance?

If not, check all your records for errors (compare banking slips with Ledger Card entries and check arithmetic). If an error is not found, and the difference cannot be resolved, SFH must be notified. If there is an error with the Bank Statement, notify SFH and the NHC chairman so that the error can be sorted out with the Bank.

WORKSHEET FOR MONITORING RURAL HEALTH CENTERS
Distribution of PowerNet and PowerChem

Name of RHC _____

Date of Visit _____

Date of Last Visit _____

- 1) Are the records physically kept in an orderly fashion (describe any problems)?

- 2) Conduct spot checks on the records (note any problems):
 - a) Does the cash on hand equal what is shown on the Record-keeping Worksheet?

 - b) Does the physical stock equal the balance of the Stock Control Card?

 - c) Are the Receipts collected from members being kept properly? Compare the Receipt numbers with those on the Member Consignment Forms.

 - d) Choosing a random day, does the Record-keeping Worksheet match the records in the Receipt Book and the Member Consignment Forms?

- 3) Does the RHC have sufficient supplies of nets, forms, posters, etc.? Note what is needed.

- 4) Are there any members that have not been active for one month?

- 5) Does the RHC have any other problems which require discussion?

- 6) Identify follow-up activities. (Is there difficulty with a particular item, that might be addressed through additional training? Are there other supplies that are needed? Do the NHC members have any complaints? etc.