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# Case Studies

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## GENERAL QUESTIONS

# Case 1 – General Questions

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## Four major disbursement procedures:

What is the most suitable disbursement method when the borrower has sufficient resources?

- a. Reimbursement
- b. Advance Fund
- c. Direct Payment
- d. Commitment Letter

# Answer Case 1

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Reimbursement

# Case 2 – General Questions

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## Four major disbursement procedures

What is the most suitable disbursement method when the borrower does not have sufficient resources to make payment (provided the borrower demonstrates adequate accounting and administrative capacity)?

- a. Reimbursement
- b. Advance Fund
- c. Direct Payment
- d. Commitment Letter

# Answer Case 2

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Advance Fund

# Case 3 – General Questions

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Four major disbursement procedures:

What is the most suitable disbursement method for large scale civil works contracts payable when the payment is required to be made in a currency that the borrower has difficulty obtaining?

- a. Reimbursement
- b. Advance Fund
- c. Direct Payment
- d. Commitment Letter

# Answer Case 3

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Direct Payment

# Case 4 – General Questions

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## Four major disbursement procedures:

What is the most suitable disbursement method for large scale importation of goods/equipment payable in foreign currency, with a letter of credit (L/C) arrangement?

- a. Reimbursement
- b. Advance Fund
- c. Direct Payment
- d. Commitment Letter



# Answer Case 4

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Commitment letter

# Case 5 – General Questions

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## Four major disbursement procedures:

Which of the following does NOT require ADB's prior approval?

- a. Use of reimbursement procedure with full supporting documents
- b. Use of reimbursement procedure with SOE procedure
- c. Use of advance fund procedure with SOE procedure
- d. All of the above

# Answer Case 5

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Use of reimbursement procedure with full supporting documents.

# Case 6 – General Questions

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**Choose which documents should be submitted for each of the following cases:**

a. A withdrawal application (WA) for replenishment is submitted requesting for 3<sup>rd</sup> progress payment under an approved civil works contract. There is no provision for use of the SOE procedure. Hint: (5 answers)

- 1) Summary sheet
- 2) Contractor's Invoice Claim or a Letter Requesting for Payment indicating amount, date and bank account details
- 3) Proof of payment from the Advance Account (Bank Statement)
- 4) Bill of lading or delivery receipts
- 5) Copy of the civil works contract
- 6) Authenticated SWIFT Message
- 7) Interim Payment Certificate or summary of work progress with construction covering period indicated
- 8) Advance Account Reconciliation Statement (AARS) showing ending balance per the corresponding bank statements
- 9) Bank guarantee

# Answer Case 6

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# Case 7 – General Questions

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**Choose which documents should be submitted for each of the following cases:**

b. A WA for replenishment is submitted requesting for 6<sup>th</sup> progress payment under an approved civil works contract. The amount of ADB share for that 6<sup>th</sup> progress payment is below the SOE ceiling indicated in the PAM.  
Hint: (3 answers)

- 1) Summary sheet
- 2) SOE sheet
- 3) Contractor's Invoice Claim or a Letter Requesting for Payment indicating amount, date and bank account details
- 4) Proof of payment from the Advance Account ( bank statement)
- 5) Bill of lading or delivery receipts
- 6) Copy of the civil works contract
- 7) Bank Guarantee
- 8) Interim Payment Certificate or summary of work progress with construction covering period indicated
- 9) Advance Account Reconciliation Statement (AARS) with ending balance per the corresponding bank statements

# Answer Case 7

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# Case 8 – General Questions

Choose which documents should be submitted for each of the following cases:

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c. A WA for replenishment is submitted for the release of the retention money within the loan closing date. There is no provision for use of the SOE procedure.

Hint: (6 answers)

- 1) Summary sheet
- 2) SOE sheet
- 3) Estimate of Expenditures sheet if turn over ratio is less than 2.0
- 4) Contractor's Invoice mentioning Contract terms and conditions which refer to release of retention money (indicating amount, date and bank account details)
- 5) Proof of payment from the Advance Account (bank statement)
- 6) Bill of lading or delivery receipts
- 7) Authenticated SWIFT Message
- 8) Unconditional Bank Guarantee
- 9) Final Interim Payment Certificate or summary of work progress with construction covering period indicated
- 10) Advance Account Reconciliation Statement (AARS) with ending balance per the corresponding bank statements
- 11) Operational acceptance or Performance Certificate



# Answer Case 8

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11

# Case 9 – General Questions

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**Choose which documents should be submitted for each of the following cases:**

d. A WA for initial advance to the advance account is submitted .  
Hint (1 answer)

- 1) Summary sheet
- 2) SOE sheet
- 3) 6-month Estimate of Expenditures sheet
- 4) Authenticated SWIFT message
- 5) Advance Account Reconciliation Statement (AARS) with ending balance per the corresponding bank statement
- 6) Proof of payment from the Advance Account (bank statement)

# Answer Case 9

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# Case 10 – General Questions

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Choose which documents should be submitted for each of the following cases:

e. A WA for direct payment is submitted requesting for advance payment of 30% as per provisions of an approved contract for civil works.  
Hint: (3 answers)

- 1) Summary Sheet
- 2) SOE sheet
- 3) Contractor's Invoice Claim or a Letter Requesting for Payment indicating amount, date and bank account details
- 4) Proof of payment or official receipt of payment
- 5) Bank Guarantee and its confirmation
- 6) Interim Payment Certificate or summary of work progress with construction covering period indicated
- 7) Bill of lading or delivery receipts
- 8) Authenticated SWIFT message

# Answer Case 10

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# Case 11 – General Questions

**Choose which documents should be submitted for the following case:**

f. A WA for direct payment is submitted requesting for 2<sup>nd</sup> progress payment under an approved civil works contract.  
Hint: (3 answers)

- 1) Summary sheet
- 2) SOE sheet
- 3) Contractor's Invoice Claim or a Letter Requesting for Payment indicating amount, date and bank account details
- 4) Proof of payment or official receipt of payment
- 5) Interim Payment Certificate or summary of work progress with construction covering period indicated
- 6) Bill of lading or delivery receipt
- 7) Bank Guarantee and its confirmation
- 8) Authenticated SWIFT message

# Answer Case 11

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# Case 12 – General Questions

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**Choose which documents should be submitted for each of the following cases:**

g. A WA for direct payment is submitted requesting for Consultancy fees (remuneration and out-of-pocket expenses (OPE) for April 2022). Hint: (2 answers)

- 1) Summary sheet
- 2) SOE sheet
- 3) Consultant's Invoice with breakdown of nature of Out-of-pocket expenses and remuneration (**indicating amount, date and bank account details**)
- 4) Proof of payment from the Advance Account
- 5) Copies of full supporting documents of the OPEs
- 6) Timesheets



# Answer Case 12

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