**Safe Management**

1. Safe box should be used to store cash and authorized non-cash items. Safe box must be kept within the UNDP premises and adequate safety and security measures in accordance with the UN DSS assessment and recommendations must be ensured by the office. Treasurer’s prior approval is required if the safe box will be maintained outside the UNDP premises.
2. UNDP safe should not contain any item that belongs to other UN agencies, nor should operate the safe of agencies or NIM projects.

# Cash and Cash Equivalent Items

1. All cash that belongs to UNDP should be kept in the UNDP safe. However, only legitimate bank notes that belong to UNDP are permitted to be kept. No other banknotes (including suspected counterfeit currency) are permitted to be kept in the UNDP safe. In the event the UNDP office receives suspected counterfeit banknotes from any source, the receiving Office should immediately contact the Treasurer for further instructions.

1. Cash that does not belong to UNDP (e.g., cash belonging to staff, consultants, vendors, associations, groups, etc.) should not be kept in the UNDP safe.

1. Checks, bank drafts and checkbooks belonging to UNDP should be kept in the UNDP safe. Those that do not belong to UNDP (e.g., instruments belonging to staff, consultants, vendors, associations, groups, etc.) should not be kept in the UNDP safe.

1. Any exceptions to the above should be signed-off by the RR/Office Head and recorded in the cash and cash equivalent items logbook under a separate header – ‘exceptional items’. The RR/Office Head should document the reason for the exceptions.

# Non-Cash Items

1. Examples of non-cash items that should be kept in the UNDP safe include bank guarantees received from vendors, and performance bonds that belong to UNDP. In addition, important legal documents belonging to UNDP may be kept in the UNDP safe, including UN Laissez-passers. Based on local conditions and circumstances, the RRs/Office Heads have the authority to decide if they require officials to return their UN Laissez-Passers for centrally organized safe-keeping in the UNDP safe upon completion of official travel or allow them to personally safe-keep the document. Personal property of staff should not be kept in the UNDP safe.

1. Any exceptions to the above should be signed off by the RR/Office Head and recorded in the non-cash items logbook under a separate header – ‘exceptional items’. The RR/Office Head should document the reason for the exceptions.

# Designation and Responsibilities of Custodians and Witnesses

1. Two UNDP staff members are to be designated by the RR/Office Head as safe custodians, one principal and one alternate. The level of staff required depends on the scenario under which the Country Office/Bureau/Unit operates. The principle custodian bears the primary responsibility for the safe contents and adherence to safe management policy. The persons designated as the custodians should be UNDP staff members. The RR/Office Head has the management responsibility to ensure that the custodians are following the safe management policy and proper records are kept.

1. In addition to the safe custodians, two UNDP staff members are to be designated by the RR/Office Head as witnesses, one principal and one alternate, to observe the actions taken by the safe custodians whenever the safe is opened and closed. The staff members designated as witnesses should be UNDP staff members. The witness should document and report any deviations to the RR/Office Head.

# Record Keeping

1. The RR/Office Head should maintain an updated list of designated custodians and witnesses.

1. Designated custodians should maintain one safe logbook to record all cash and cash equivalent items and another safe logbook to record all non-cash items. Exceptional items should be recorded under a separate header – ‘exceptional items’ - in respective logbook.

1. In each logbook, designated custodians should record all items either deposited in or removed from the safe. The date, nature, and amount/value of the items should be logged and initialled by both the custodian and the witness.

# Operations of UNDP Safe

1. Both custodian and witness must record the performed actions and sign the logbooks whenever a UNDP safe is opened and closed.

1. Monthly spot-checks of petty cash should be performed by a Sr. Finance Officer and/or by DRR (O)/Executive Officer in the presence of the designated safe custodians. In cases where the CO/Bureau/Office operates on a cash basis, monthly spot-checks should be performed by staff with no direct or supervisory responsibility for accounting for receipt and disbursements of cash. This shall be done in the presence of the designated safe custodian. This consists of reviewing items in the safe against what is recorded in the logbooks.

# Inventory

16. A complete inventory of the safe(s) contents should be performed annually by the safe custodian or alternate in presence of a Sr. Finance Officer and/or DRR (O)/Executive Officer. The inventory should be entered in the safe logbooks for both cash and equivalent items and non-cash items.

# Reporting

1. The contents of the safe(s) must be reported to the RR/Office Head on a monthly basis.

1. Cash inventory must be reported annually in accordance with the year-end closure instructions from the HQ. In addition to the cash inventory, the RR/Office Head may wish to report on any other items of significance or items that may pose a risk to the organization. The latter should be reported at any time based on the judgment of the RR/Office Head.

# Handover

1. A complete inventory of the safe(s) contents must also be undertaken whenever safe(s) custodians change. This inventory must be included in a handover report prepared by the outgoing custodians and must be agreed and signed by both outgoing and incoming custodians. A copy should be provided to the immediate supervisor and the RR/Office Head. If the safe has a combination lock rather than key lock, the combination should be changed when custodians change to limit access to those individuals with a defined business need.

# COs Not Operating on a Cash Basis

20. In most offices that are operating under Petty Cash basis, there will be only small amounts of banknotes kept on premises.

# COs Operating on a Cash Basis

21. In the exceptional circumstance when a CO needs to operate on a cash basis, two safes may be required. The procedures outlined in this policy apply equally to all safes operated by UNDP. Refer to the Resident Representative for policy guidance in this circumstance.

22. If the RR/Office Head is required to accept, under exceptional circumstances, any items potentially posing a risk to the organization, guidance should be sought from BMS/OFM and respective Bureau prior to the acceptance of any such items.

# Safe Deposit Locker/Lockbox (SDL) for the purpose of off-site storage of IT devices

23. Treasurer’s approval is not required to open and maintain the Safe Deposit Locker/Lockbox (SDL) in a Bank or sister agency outside the UNDP premises exclusively for the purpose of off-site storage in accordance with the policy on [ICT Disaster Recovery Standards for UNDP Offices](https://popp.undp.org/node/10916) and is documented in the approved country Disaster Recovery/Business Continuity Plan. Offices must ensure that the management of the SDL meets the off-site storage criteria defined in the ICT policy and necessary agreement should be put in place between the Bank or hosting agency and UNDP.

24. The lockbox opened for above purpose should contain only the storage devices in accordance with the ICT policy and not any “Cash and Cash Equivalent” and “Non-Cash” items as identified above. If the lockbox was opened for any other purposes, the contents should be in accordance with the guidance and approval of the Treasurer.

25. RR must appoint at least two custodians, one principal and one alternative and may recommend a detailed process about operation of the SDL. The custodian must maintain a logbook to record each time the locker is used.

26. Periodic spot-checks of SDL should be performed by a Sr. Finance Officer/OM/DRR. A complete inventory of the lockbox contents should be performed annually by the custodian and reported to the RR/Office Head and maintained for future record by the office.