# Project Petty Cash Fund (PPCF)

1. PPCF is a perpetual petty cash balance kept in the safe in a DIM project office/site to meet the disbursement requirement. Typically, such arrangement is for the DIM project office(s) that are located away from the CO’s main office and the banking services are not accessible in the areas where these project office(s) are located.

Note: This arrangement is also applicable to “Support to NIM” where implementation modalities are established in accordance to the policy on “[UNDP Support Services to National Implementation (NIM)](https://popp.undp.org/node/11701).”

1. The maximum PPCF balance is US$2500 (or local currency equivalent) per CO. However, this does not warrant an automatic establishment of PPCF nor at such maximum level if there are alternative ways to pay small expenses without using cash. The optimal level of PPCF must be determined by the CO Finance and Programme management based on the assessment for the project office(s) or site(s) taking into the following considerations:
	1. Project cash requirements
	2. Staff capacity
	3. Internal controls in regard to separation of duties
	4. Security risks
2. The Head of the Office may authorize the establishment of the PPCF for a DIM Project or multiple PPCFs for several projects up to the maximum combined level of US$2500 for all PPCFs. Treasurer’s authorization is mandatory when the total amount of all PPCFs (whether one PPCF or multiple PPCFs) issued exceed the maximum level of $2,500 for the Country Office. The Head of Office must send the request to Treasurer for approval through the submission of [Annex 5: Request for Treasury Approval](https://undp.sharepoint.com/sites/BMS-OFMTreasury-Annex5) with the list of project IDs, location, custodian, and amount of all previously approved and active PPCFs showing the total combined PPCF amount.
3. Custodian of the PPCF should hold the staff contract. RR only (not to be further delegated) can appoint a holder of Personnel Services Agreement (NPSA/IPSA) as the Custodian for PPCF.
4. When the PPCF Custodian is a NPSA/IPSA holder, the replenishment request must be reviewed and approved by the Operations Manager and above, not by the Project Manager or the manager for the project office. (Refer to further guidance in ICF)

*“Petty cash advances may be made available to officials designated by the Treasurer or his or her designate from petty cash accounts. The Treasurer may, where adequate safeguards are provided, authorize petty cash advances from petty cash accounts to non-staff personnel up to an amount determined by the Treasurer. These cash accounts shall be maintained on an imprest basis. The amount and purposes of each account shall be defined by the Treasurer. The amount held shall be the minimum compatible with working requirements.”*

1. Qualifying expense, per payment limit and Procedures for PPCF are the same as PCF Procedures:

Accounting for PPCF

Initial funding of PPCF is done by a Permanent Prepayment Invoice payable to the PPCF Custodian as the “Supplier” recorded against

Debit GL Account: 16106 - Petty Cash Fund PCF

 Operating Unit: CO’s operating unit

Fund Code: Relevant fund code for the project

Department: Respective department

Project ID: Relevant project ID

Impl. Agent: As appropriate

Donor: As appropriate

Supplier : PPCF Custodian’s Staff/Supplier ID

***Caution: All transactions in PPCF Invoices, Credit Memos) must be recorded in the currency code in Quantum that matches the actual currency in which the PPCF is held. Using incorrect currency code in Quantum will lead to inaccurate valuation of the PPCF in the financial statements.***

***FX gain/loss adjustment entries are monitored by GSSU Cash Management team on a monthly basis.***

1. The CO’s main office is required to review and approve the PPCF monthly spreadsheet report uploaded for replenishment and the Operations Manager must certify the monthly reconciliation.
2. Year-end certification or Attestation must confirm the status of each PPCF by submitting the PPCF list with details (follow the exact year-end closing procedures as PCF including deposit the remaining cash in the safe into CO’s bank account and full accounting/reconciliation).
3. The Operations Manager must maintain the data for the monthly average balance for all PPCFs and report it to Treasury upon request for insurance purpose

***Caution: Be completely familiar with the procedures for PCF and follow them for PPCF noting the differences above (especially on Internal Controls, Accounting, Reconciliation and Year-end Closure).***

1. UNDSS Cash Arrangement requirement
2. UNDP will provide petty cash services to UNDSS in accordance with the Service Level Agreement with effect from 1 June 2018 or as amended, and the Operational Guidelines for Support to the UN Security Management System, dated 18 March 2009 or as amended.
3. If the UNDSS shares the same premises with a UNDP office/project, UNDSS cash requirement should be provided by UNDP in accordance with the UNDP [Petty Cash Fund Management Project (PCF)](https://popp.undp.org/node/11261) policies and procedures from the UNDP managed cash fund. No separate cash arrangement for UNDSS will be provided. When recording the petty cash expenses each month, UNDSS portion should be charged to the relevant Activity/Fund code of the local UNDSS project budget.
4. Where UNDSS is not co-located with UNDP office but is in a different part of the city or different city, and there is a recognized need for cash float, a business case should first be established internally within UNDSS in country from operational standpoint and presented to UNDSS HQ through respective Regional Section overseeing the country. Petty cash can be approved under [Project Petty Cash Fund (PPCF)](https://popp.undp.org/node/11356) following below procedure:
	1. For PPCF funded from the UNDSS core budget programme: The business case requires UNDSS HQ approval. Upon business case approval, UNDSS HQ will provide the COA (issuance of ASL) for the approved PPCF funded from DSS core fund code 68100.
	2. For PPCF funded from the Local Cost Shared Security Budget (LCSSB) administered by UNDP and where the Designated Official for security (DO) has the authority over the budget: The business case for PPCF to be utilized from LCSSB requires the endorsement and the approval of the DO. Upon business case approval from the DO, UNDSS in country will provide the COA from approved LCSSB fund code 13925.
	3. Prior to approval, UNDSS in country must discuss the business case and identified needs with UNDP office irrespective of the budget source.
5. Custodian: The custodian for the petty cash funded from core budget will be the FT contract holders issued and managed by the UN Secretariat, which is effective 1 February 2021. The custodian for the petty cash funded from the LCSSB must hold a UNDP Letter of Appointment.
6. All requests of PPCF, irrespective of the amount, source of fund and custodian’s contract types, must be submitted to Treasury for exceptional approval following below procedure:
	* + - 1. The UNDSS Security Adviser[[1]](#footnote-1) in country through the Designated Official for Security (DO)[[2]](#footnote-2), requests the UNDP RR to establish PPCF for UNDSS business needs supported with the following information:
7. Approved Business case for cash float, the requirement and purpose of PPCF, and source of budget.
8. Recommended custodian details, types of appointment and amount.
9. The UNDSS has to ensure adequate safety and security measures of the proposed fund and cash will always be kept inside a locked safe. Necessary assessment and clearance for the safety and security of office where safe will be kept must be provided.
10. Assurances that UNDSS will comply with the UNDP Cash Arrangement policies and procedures.
	* + - 1. After the UNDP Country Office is satisfied with the Business Case and the needs expressed by the UNDSS, UNDP office will request PPCF (16106) by submitting the completed and signed [Annex 5: Request for Treasury Approval](https://undp.sharepoint.com/sites/BMS-OFMTreasury-Annex5) to Treasury for approval. The request should be presented to Treasury with the documents specified under d/1 above.
				2. Upon confirmation of Treasury’s approval, UNDP CO or UNDSS CO will, as applicable, appoint the Custodian by signing [Annex 1: Cash Custodian Appointment Form](https://popp.undp.org/node/586), the terms of which must be agreed and co-signed by the custodian. UNDP will record the PPCF using GL 16106 and the respective Activity/Fund code of the UNDSS country project budget for proper accounting of UNDSS Cash Arrangement transactions.
11. PPCF for UNDSS funded from core or LCSSB budget will be issued to the designated Custodian using in the supplier ID set up in Quantum for each custodian. The custodian must furnish expenditure details with supporting documents as per UNDP Cash Arrangement policy to UNDP CO Finance team for recording of expenditure and subsequent replenishment of PPCF. UNDP Finance will record the expenditure to the relevant expense accounts.
12. The holder of petty cash funds shall be personally accountable and financially liable for the proper management and safekeeping of the funds; an accounting is to be rendered at least monthly to UNDP Country office. The Custodian of the Petty Cash shall always be in a position to account for the funds.
13. All UNDP rules and procedures will be equally applied to the PPCF issued for UNDSS to a custodian. UNDP CO will be responsible for the overall oversight, disbursement, monthly accounting, replenishment, reconciliation, and year-end closing requirements for all petty cash. For petty cash funded from the core budget and the custodian holding a UN Secretariat contract, UNDSS will be responsible for the recovery from the custodian, and with the support from UNDP CO, will maintain a direct oversight, management, and monitoring.
14. At year-end, all issued PPCFs must be accounted for and duly liquidated.

**Templates and Forms**

Use the same templates provided for PCF but select the applicable cash arrangement used.

Additional templates for PPCF:

1. [Annex 1: Cash Custodian Appointment Form](https://popp.undp.org/node/586)

2. [Annex 2: Cash Register](https://popp.undp.org/node/5961)

3. [Annex 3: Cash Count Form (for monthly and year-end physical count and reconciliation)](https://popp.undp.org/node/656)

4. [Annex 4: Annual Certification for Cash Arrangements, Assessment, and Safe Contents](https://popp.undp.org/node/661)

5. [Annex 5: Request for Treasury Approval](https://undp.sharepoint.com/sites/BMS-OFMTreasury-Annex5)

1. Depending on the UNDSS setting in country this could be the Principal, Chief or Security Adviser, but not a Field Security Coordination Officer (FSCO). [↑](#footnote-ref-1)
2. In each country or designated area where the United Nations is present, the most senior United Nations official is normally appointed in writing by the Secretary-General as the Designated Official for Security and accredited to the host Government as such. [↑](#footnote-ref-2)