**UN AGENCY SERVICES**

**Visual Guide**

Business Process for Cost Recovery

**Procedures, Tools and Guidance at Glance**

- **UN AGENCY SERVICES**
  - Recover all costs for services provided to other Agencies
    - Use UPL for standard services: provided in the same way each time they are requested. Same standard procedures across UNDP offices.
    - Use LPL for ad-hoc services: services that cannot be standardized across CO or vary in scope each time. Use local price.
    - Recover Global Services provided at HQ/Shared Services Center (e.g. Payroll charges)
    - Apportion the costs of Common Shared Services:
      - Share costs among UN agencies based on agreement
      - Ensure UNDP fully recovers the cost of managing common services.
      - Use UPL if there is no relevant Local agreement among UN agencies.
      - Use Non-UNDP fund codes 139xx for other agency portion of common services
  - **Tools**
    - Guidelines for shared/common services (revenue management, account codes, fund codes and expense management)
    - Corporate Financial Reporting and Agency Services (CFRA) Agency Services
    - Guidance on True Hourly Cost Recovery Methodology
    - UNDG Guidance
  - **Guidance**
    - Repository of UN Agreements
    - Repository of PCA/SCA MOU
  - **Use MOU or Framework Agreement** with a UN entity that was agreed at Headquarters level
    - No need for local CO level MOUs
  - **Use SLA when needed at country level.** In the following cases an SLA is not mandatory
    - Not mandatory if
      - Provision for SL is covered by MOU or Framework agreement
      - Services are covered by a common services MOU, Framework Agreement or Business Operations Strategies.
      - Services are within UPL and LPL

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**UN AGENCY SERVICES**

**Tools**

- **GUIDANCE**
  - Repository of UN Agreements
  - Repository of PCA/SCA MOU
  - UN Agency Services
  - UNDG Guidance

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**Provisions regarding Cost Recovery from UN Volunteers**

**Use MOU or Framework Agreement** with a UN entity that was agreed at Headquarters level

- No need for local CO level MOUs

**Use SLA when needed at country level.** In the following cases an SLA is not mandatory

- Not mandatory if
  - Provision for SL is covered by MOU or Framework agreement
  - Services are covered by a common services MOU, Framework Agreement or Business Operations Strategies.
  - Services are within UPL and LPL
**Tools**

**Monitor & Report**

- Ensure adequate pre-funding is received for all services provided
  - Headquarter (OFM/FPMR/CFRA) provides a weekly funding status to all agencies.

- Ensure timely billing and collection of income from service provision
  - Minimum quarterly billing.
  - At year-end, billing should be accounted for in the year when services were provided.

**Implement**

- Country office reviews and resolves the SCA rejected transactions from UN Agencies (Non-ATLAS Agencies using SCA modality).

- For Service Clearing Account (SCA), Headquarter monitors the level of funding on a weekly basis and alert UN Agencies (Non-ATLAS) when balances are low to ensure adequate funding balances are available.

- Headquarter sends Service Clearing Account (SCA) reports on a monthly/mid-year and yearly basis to UN Agencies (Non-ATLAS). (GSSU Agencies)

- Headquarter reconciles the Service Clearing Account (SCA) between the UNDP and the UN Agencies (Non-ATLAS). (GSSU Agencies with support from COs)

**Cost Recovery**

- Atlas Query > Finance > Reporting Tools > query > query viewer
  - [OFRM_INST_REVENUE_AGY_SRV]
  - [OFRM_INST_REVENUE]

- Agency Services Clearing Global
  - Atlas-UN Report > Financial Management Reports
    - Expenditure Management Reports
    - Agency Service Clearing Global

- Service Clearing Account (SCA) for non-Atlas UN Entities: Charging, Billing and Fee Collection

- Annual letter from UNDP to agencies