

Frequently Asked Questions on Cost Recovery

Content

Section A: Questions on General Management Support (GMS)

1. Can an office 'top-up' its GMS rate and not charge ISS?
2. When do we use the 'Off-the-top' method and when the 'F&A' method? Which fund/project types are designated to use one and/or the other?
3. How is GMS charged on Thematic Trust Funds (excluding Country window)?
4. How is GMS charged on TTF country window?
5. Cost recovery for GEF, MPU and CAP 21/2015
6. Are all projects subject to GMS fees? When is an exemption justified?
7. If a country office mobilized a small amount from the private sector for programme development, but a signed agreement does not exist, can this project be excluded from the GMS requirement?
8. What can be done in cases where GMS was charged up front in 2003?
9. If the FA charge for the prior year against a project was not recovered, can this be fixed retroactively?
10. If an office negotiated a certain GMS rate with a donor in the past, does that mean it now needs to revisit that agreement to reflect the new GMS policy and rates?
11. How do I see my GMS reflected as income to the office's XB?
12. Why do we charge GMS on Funds 11888 and 11999?
13. What is the difference between UNDP's "GMS" and UNOPS's GMS?
14. Is it possible to mix or switch between two GMS methods within a project life?
15. Can there be a situation when there are different GMS rates within the same project/output or even activity?
16. How do we set up different donor GMS rates within one output budget?
17. Can F&A rate be averaged for multiple donors with different rates within one output budget?
18. If a project uses F&A method and an activity is implemented by two or more implementing agencies, how many GMS lines have to be set up for the activity?
19. How do we set up the GMS distribution in cases where a budget has both Government Cost Sharing and Third Party contributions, even if there is only one GMS rate for both the government and third party contributions?

20. How do we set up the GMS distribution through the F&A in a scenario where, for a given ongoing project, additional donors join in to co-finance the project, but with different GMS rates?
21. What if the F&A rate for an activity is not updated before the GMS batch is run?
22. What happens if the distribution of the GMS income has been entered incorrectly at the department level and the F&A process is run?
23. What if F&A rates are recorded for an Output/Activity although GMS is recorded via off-the-top method?
24. How do we address a situation where there is not enough available balance in the budget to enable the GMS to be successfully collected through the F&A process?
25. How do country offices and HQs as well recover costs related to managing UNODC projects in Atlas?

Section B: Questions on Implementation Support Services (ISS)

1. Can a flat percentage rate be charged to recover the cost of Implementation Support Services (ISS)?
2. How do we estimate ISS component of a project? How do we estimate fees for the purpose of creating a new project budget during project formulation?
3. Can a CO negotiate a higher GMS rate and not charge ISS?
4. Do we charge ISS on Core Resources (TRAC)?
5. What about in a NEX situation? Do we charge for the payment/disbursement service (per UPL) in connection with the NEX advance?
6. Should offices 'charge' ISS to EU-funded projects?
7. Should ISS apply to an agency-executed project (e.g. UNOPS)?
8. Can offices charge ISS for support services provided to UNODC projects?

Section C: Questions on billing for services to Agencies and Programmes (ISS)

1. Is there a recommended 'billing management process' that would help my CO bill effectively and avoid disputes with the client agencies over the bills?
2. Can we recover the costs of services we provide to other UNDP COs?
3. Can our office continue to allocate a separate line for ISS and do 2005 ISS bills as a percentage for NEX/DEX support in case the government has agreed?
4. How is the Universal Price List created?
5. What if the services we provide are non-standard and are not included in the UPL?
6. Is there a comprehensive list of reference material on billing in general?

7. Using the UPL for payment/disbursement services, do we charge the relevant fee for each transaction line, or only once per payment?
8. How do we treat recurring personnel management costs for non-UNDP staff? How do we recover for providing 'recurring payroll services' to non-UNDP UN Staff included in the Atlas payroll?
9. Can currencies other than USD be used in CRU, CRE, and CRN bills?
10. What if a CO does not record ISS bills for services provided in 2004. Can the charges be effected in 2005 and what UPL rates should apply?
11. How often are 'RDY' bills processed?
12. What reports or queries are available to verify ISS income to XB? Where can a list of posted bills for a given department be found?
13. Are there any queries that can help COs manage the process of providing services to agencies and billing transparently? Where can we refer an agency that wants to see an itemized bill?
14. Some invoiced bills ('INV' status) are not reflected in my CO's XB income. Why?
15. How do we correct failed bills?
16. A specific amount has been determined for non-standard (non UPL) ISS. When billing for these ISS what identifier should to be selected for billing?
17. When preparing a bill, are the 'Billing Authority' and 'From Date'/'To Date' fields of the Header-Primary page required fields?
18. What bill type is used to charge for services provided by UNDP to a project executed by an Executing Agency?
19. Which bill type should be used for recording ISS fees for support services provided to UNODC?
20. Can UNDP recover costs for running pay cycle for UNPFA vouchers (for EFT)?

Frequently Asked Questions on Cost Recovery

Section A: *Questions on General Management Support (GMS)*

1. Can an office 'top-up' its GMS rate and not charge ISS?

In view of their distinct nature, mixing management (GMS) cost with the cost of providing implementation support services (ISS) is not consistent with the policy. GMS and ISS constitute two distinct categories of services and costs and need to be accounted for in a separate manner. ISS represent direct costs, and these are built into a project budget against an identifiable budget line. In the case of standard transactional inputs where it is more convenient to pool the cost to various projects in order to facilitate payments to personnel providing the service, ISS may be charged to a project per standard UPL costing through the billing module.

This said, in some cases a country office may feel that the negotiated GMS fee on a Other Resources-funded project more than covers the cost of providing execution support (ISS), making the recovery of the latter redundant.

2. When do we use the 'Off-the-top' method and when the 'F&A' method? Which fund/project types are designated to use one and/or the other?

Some designated development funds (OR), a list of which can be found in the [Building Block 6 on 'Cost recovery- Creating bills and Managing Cost Recovery'](#), must be charged on an off-the-top basis. Other than this, Offices have the choice to determine the modality best suited to a certain agreement. Given the up-front management costs that are required even before delivery begins, the off-the-top method is more effective and therefore strongly encouraged. The offices must, however, be aware that if under-delivery occurs, an adjustment will need to be made at the time of closing the project, and any differential refunded to the donor. If the off-the-top method is used consistently in an office, it becomes even more important for the office to ensure that a one-year earned reserve exists in its extra budgetary income account to mitigate the risk.

3. How is GMS charged on Thematic Trust Funds (excluding Country window)?

TTF Service Line allocations (like all Open Trust Funds) will use the 'off-the-top method' for determining GMS. GMS will be deducted upfront from the contribution and the allocation made net of GMS. GMS will be calculated and distributed (recorded) by TF managers at HQ.

4. How is GMS charged on TTF country window?

In this case the country office has the option to select off-the-top or F&A method.

5. Cost recovery for GEF, MPU and CAP 21/2015

For all trust funds with a central trust fund manager, such as the above funds, GMS will be negotiated between the Fund Manager and the office responsible for the project. Fund Manager will record the resulting GMS fee directly to the office's XB income account. GMS, therefore, is not to be reflected by the office in Atlas using either F&A functionality or the Accounts Receivable method, unless explicitly instructed by the Fund Manager.

For GEF, kindly refer to the GMS (CO Fee) payment guidelines posted in UNDP Intranet: <http://intra.undp.org/gef/programmingmanual/reimbursement.htm>.

Note that the ISS charges should be built into the budget (using the [Universal Price List](#), where applicable). This applies to projects under all execution modalities.

6. Are all projects subject to GMS fees? When is an exemption justified?

The GMS cost recovery regime applies to all programmes funded from Other Resources, irrespective of size of contribution or donor. There is no exception to the policy, although exception to the *rate* may be considered on an exceptional basis and cleared by HQ/BOM/OPB on a case-by-case basis if a strong justification exists.

7. If a country office mobilized a small amount from the private sector for programme development, but a signed agreement does not exist, can this project be excluded from the GMS requirement?

The short answer is no, no exceptions to the GMS policy are allowed. Additionally, no contributions may be received without signed agreements.

8. What can be done in cases where GMS was charged up front in 2003?

Since the cost had already been recovered, no further recovery can take place. To avoid double charges, the project manager must make sure not to do any F&A setup in Atlas against such projects in the current year. Detailed instructions are available on how to record the cost up front on pages 3-4 of the revised ['Building Block' 6](#) on managing billing and cost recovery.

9. If the FA charge for the prior year against a project was not recovered, can this be fixed retroactively?

Charging GMS relating to prior year in the current year will affect the current year budget. So long as sufficient budget exists, the F&A may be charged using the GLJE modality, ensuring that the appropriate distribution across departments is done. Office should ensure that donors are appropriately informed and no issues will arise.

10. If an office negotiated a certain GMS rate with a donor in the past, does that mean it now needs to revisit that agreement to reflect the new GMS policy and rates?

That is correct. Following a one-year grace period after the policy was introduced, it is imperative that all projects are now aligned with the policy. This may well mean that some agreements have to be updated and the new rates reflected accordingly.

11. How do I see my GMS reflected as income to the office's XB?

You will need to run the XB Status Report. Go to UN Reports>Commitment Control>Extra budgetary Status Report and produce a report which is self-explanatory.

12. Why do we charge GMS on Funds 11888 and 11999?

These are Other Resources development funds. As such they are subject to recovery for GMS. The question may arise in the case of the Development Advisory Services (DAS) facility which may be funded partially from XB resources (11300). Thus, if XB resources were used to establish DAS, then this fund is not subject to GMS. Otherwise, the policy applies. Note that the majority of offices keep GMS rate for this type of funding at 5%.

13. What is the difference between UNDP's "GMS" and UNOPS's GMS?

UNDP's Cost Recovery Policy defines in detail what general management service categories are meant to be covered by the GMS fee. There is no such thing as GMS for UNOPS. UNOPS fees earned for the provision of services – formerly known as "AOS" – represents the management fee of the implementing partner (UNOPS) and as such it is a direct cost to the project. This fee is agreed to between UNDP and UNOPS.

It is important to emphasize that from UNDP's point of view, there is only one management charge, and that is GMS. Any other fees earned by third parties are treated as direct project expenditures.

In Atlas, in the corresponding project budget reflected in the UNDP Business Unit (UNDP1), UNDP must ensure that GMS is recorded through F&A functionality as per agreement with the donor and that the F&A fee is charged once the PDR is uploaded with full expenditures submitted by UNOPS. Note that GMS in UNOPS books is not to be mixed with GMS in UNDP books.

14. Is it possible to mix or switch between two GMS methods within a project life?

As a general principle, the method of GMS cost recovery must remain the same throughout the duration of the whole project. Do not mix or switch between the two methods.

15. Can there be a situation when there are different GMS rates within the same project/output or even activity?

The short answer is yes, but this situation should not arise after the transition period following the cost recovery introduction in 2004. Note the following policy principles that should clarify the situation:

- GMS represents a management fee through which UNDP expresses the cost of providing general management services. This cost should be the same for all donors. Therefore, different rates within the same output are very much inconsistent with the concept of results based management.
- Notable exceptions are the case of Government cost-sharing where the average rate is 3%, and corporate donor agreements.

16. How do we set up different donor GMS rates within one output budget?

Two options:

- a) When the 'Off-the-top' method is used: calculate the GMS amount and the appropriate department distribution for each donor and record through GLJE.
- b) When F&A method is used:
 - GMS Rate: As the GMS rate has to be entered for each activity, unless the GMS rate is already specified at the proposal stage before the award is generated, you have two choices: i) try to align activities to a donor. If not possible, you need to split an activity into two or more to enable the setting up of GMS rate; ii) enter the lowest of the multiple rates in the F&A setup, do a GLJE to record the differential amounts resulting from the other rates.
 - GMS Income distribution: Set up department distribution based on the lowest GMS rate, then do a GLJE to adjust the distributed amounts. In order to facilitate the correct calculation of the GMS income distribution between corporate, bureau, central services and the office itself, please refer to the [GMS rate calculator](#).

17. Can F&A rate be averaged for multiple donors with different rates within one output budget?

No. This would be in violation of the donor agreements.

18. If a project uses F&A method and an activity is implemented by two or more implementing agencies, how many GMS lines have to be set up for the activity?

Two or more GMS lines have to be set up, each line corresponds to an implementing agency and contains the implementing agency code.

19. How do we set up the GMS distribution in cases where an output budget has both Government Cost Sharing and Third Party contributions, even if there is only one GMS rate for both the government and third party contributions?

You have three choices:

- a) Use 'off-the-top' if possible;
- b) If you have to use F&A: use the GMS calculator to calculate the amounts that each GMS department should earn through F&A; and then calculate the distribution against the total. The resulting distribution will yield the required result.

Example: If both government and third party cost sharing agreements have GMS rate of 3% and contribute \$10,300 each. Total GMS earned is \$ 300 each. GMS Distribution amounts to 4 departments are:

	CO	RBx	Central	Global	Total
Government	240	40	20	-	300
Third Party	100	67	33	100	300
Total	340	107	53	100	600
% of total	57%	18%	9%	17%	100%

Then set up a speed chart (50/50 in this case) to ensure expenditures to be distributed to government and 3rd party contributions as budgeting. Otherwise, when expenditures are not incurred as planned, the distribution rates will change. If such, use GLJEs to adjust distributed amounts.

- c) Alternatively, if you have to use F&A, but slightly more complicated: set up the distribution based on the largest contribution, then use GLJEs later to adjust GMS amount of the smaller contributions. In order to do the GLJE adjustment, a similar calculation as above needs to be done.

20. How do we set up the GMS distribution through the F&A in a scenario where, for a given ongoing project, additional donors join in to co-finance the project, but with different GMS rates?

As highlighted above it is imperative to negotiate a single GMS rate for each project. Service pricing consistency dictates this, as well as general results oriented management. "Same price for same service regardless of client" is the underlying theme here. The scenario, therefore, is not consistent with the policy.

To address the situation in Atlas, however, as you can only enter **one** income distribution in 'Project Department' tab for the whole output project, you essentially have two choices:

- a) As for (b) of the previous questions, use the GMS calculator to calculate the amounts that each GMS department should earn through F&A, and then

calculate the distribution against the total. The resulting distribution will yield the required result:

Example: if both use F&A of 3% against \$10,300 contribution each:

	CO	RBx	Central	Global	Total
Government	240	40	20	-	300
Third Party	100	67	33	100	300
Total	340	107	53	100	600
% of total	57%	18%	9%	17%	100%

Then set up a speed chart (50/50) to ensure expenditures to be distributed to government and third party contributions as budgeting. Otherwise, when expenditures are not charged to government/third party contributions, the distribution rates will change. If so, use GLJEs to adjust distributed amounts.

- b) The alternative is more complicated: set up the distribution based on the GMS rate of the largest contribution, then use GLJEs later to adjust GMS amount of the smaller contribution. In order to do the GLJE adjustment, a similar calculation as above needs to be done, in order to determine which department should receive which portion of XB income.
- 21. What if the F&A rate for an activity is not updated before the GMS batch is run?**
- Zero or incorrect rate will be used when F&A is run
 - To correct, prepare a GLJE to account for the difference
 - Add the correct rates so that the next F&A process will calculate on expenditure recorded since the late F&A run date
- 22. What happens if the distribution of the GMS income has been entered incorrectly at the department level and the F&A process is run?**
- The revenue will be posted as per the distribution defined on the Project Dept page.
 - To correct, prepare GLJEs to record appropriate distribution.
 - Make sure you correct percentage rate distribution for future runs
- 23. What if F&A rates are recorded for an Output/Activity although GMS is recorded via off-the-top method?**
- Clearly, if left uncorrected, GMS rates will be charged **twice**. To correct:
- prepare GLJEs to reverse the charges as appropriate;
 - zero out the F&A rate for the activity to avoid double recording in future F&A runs

24. How do we address a situation where there is not enough available balance in the budget to enable the GMS to be successfully collected through the F&A process?

- The F&A process will override budget check tolerance limit exception so expenditures will still be posted to KK;
- You might need to revise budget to cover the over-expenditure and provide for F&A on other planned future expenses

25. How do country offices and HQs as well recover costs related to managing UNODC projects in Atlas?

GMS for UNODC projects is called Project Management Charge (PMC). The F&A functionality of Atlas should be used to capture and record PMC. As specified in the Working Arrangement, the agreed PMC for all UNODC funded projects is 3% except for those managed by the Brazil office.

PMC applies to all UNODC project expenditure. Thus, the PMC rate (F&A rate) and Budget Category (ODC56) must be entered for every Activity in the budget. The F&A rate is entered as follows:

Pre-Award: Grants>Proposal>Budget Line Summary>FA button

Post-Award: Grants>Awards>Project Activity>FA Rates tab.

Distribution of the 3% PMC is as follows:

PMC Unit	Percentage Pledged	Dep. ID
Country Office	34%	CO expenditure department
Comptrollers	22%	78601
Central Services	11%	10801
Global fee	33%	00102

Note that cost recovery for implementation support services through UPL/billing also applies to UNODC projects. See question in Section B below.

Section B: Questions on Implementation Support Services (ISS)

1. Can a flat percentage rate be charged to recover the cost of Implementation Support Services (ISS)?

Refer to [Section A, Question 1](#) above. The current Board-mandated cost recovery policy does not contemplate a percentage fee as the method to recover ISS. By definition, ISS are direct costs of the project, and they represent identifiable support services. As such, they ought to be budgeted for in the project against an identifiable budget line. A percentage would represent an approximation of the cost of implementation and thereby distort the actual delivery amount. ISS needs to be charged on an actual basis.

2. How do we estimate ISS component of a project? How do we estimate fees for the purpose of creating a new project budget during project formulation?

By definition, ISS are direct costs to a project. It is important that we build these costs into a project budget in consultation with the donor. Estimating ISS for a development project is a critical area where cooperation between Programme and Operations sections is required.

You need to estimate the volume of services your CO will provide to each activity of the project and express the cost of doing so. To arrive at a dollar value, offices can use the UPL rates as guidance. These estimated ISS amounts should then be built into the budget. A good project document or project initiation document should include a clear description of activities to be undertaken (e.g. 3 workshops for 60 people). Based on the activity descriptions it is then fairly easy to arrive at an amount for ISS that should be included in the same activity (e.g. 180 * UPL fee for F10 clearance + 180 * UPL fee for travel services).

3. Can a CO negotiate a higher GMS rate and not charge ISS?

See [question 1 in Section A](#).

4. Do we charge ISS on Core Resources (TRAC)?

Yes, absolutely.

5. What about in a NEX situation? Do we charge for the payment/disbursement service (per UPL) in connection with the NEX advance?

No. That is part of our core mandate, and the BSB should cover for that.

6. Should offices 'charge' ISS to EU-funded projects?

Yes, absolutely. EU contributions as non-core resources are subject to both GMS and ISS. As detailed above, at the agreement negotiation stage, the difference between GMS and ISS needs to be explained clearly to donors. While GMS may be easily comprehended, the concept of ‘charging’ ISS may lead to confusion. ISS are direct inputs into a budget, and should be treated as such, that is built into a project budget as identifiable budget lines. We need to be able to cost these direct inputs in a consistent manner. The UPL provides this level of consistency for *transactional services involving a standardized process*. As far as the donor is concerned, it is important to be able to express an estimate of the ISS component very early on, at the project budget formulation stage. For example, if a given project requires 30 per cent of a procurement officer’s time for 12 months, that time should be costed and built into the project budget as an identifiable direct input.

7. Should ISS apply to an agency-executed project (e.g. UNOPS)?

If UNDP bears no direct costs **other than** the Executing Agency’s fee – see [Question 13](#) above), there is no need to charge ISS. However, if UNDP provides implementation support services to the Executing Agency, then UNDP must to recover these costs **directly** from the Agency (i.e. a separate process, though billing for agency services), **not against the project budget** as this would amount to double charging.

8. Can offices charge ISS for support services provided to UNODC projects?

Pursuant to the [Working Arrangement between UNDP and UNODC](#) offices are to use the UPL to bill UNODC projects to recover the cost of implementation support services.

Section C: Questions on billing for services to Agencies and Programmes (ISS)

1. Is there a recommended 'billing management process' that would help my CO bill effectively and avoid disputes with the client agencies over the bills?

Yes there is. COs are encouraged to implement the following processes:

- a) Strive to establish a climate of cooperation and dialogue between service provider and service recipient, to make sure that service requests and provisions are readily received and acted upon;
- b) Ensure that all service providing units within the country office maintain accurate records service requests by agencies for reference purposes at the time of billing and in order to avoid disputes over the volume of services being provided to agencies; to facilitate this process, OMs may want to encourage the use of simple service record sheets to be kept for future reference and for the purpose of billing transparency.
- c) In average, a quarterly billing period seems appropriate to deal with the volume of services UNDP provides. Local measures may vary, and OMs are encouraged to establish and observe billing periods that best fit local conditions.
- d) If the recovery occurs through the billing module, at the beginning of each billing period, ensure that a NEW bill is created so that item lines can be entered and referenced by service providing units.
- e) Encourage all service providing units to readily enter bill item lines and properly reference these lines.
- f) Communicate effectively the duration of billing periods to service recipients.
- g) Communicate effectively with service provider and illustrate the use of relevant queries in the system that show the number of transactions carried out by a specific unit on behalf of a given client.
- h) When finalizing bills, ensure that utmost care is paid to the review process to reduce the possibility of staging and/or budget check errors that would cause the finalized bill not to be picked up by the relevant batch process as well as ensure that all relevant reference fields are filled to make it easy for recipient to track transactions.
- i) Before the close of each billing period ensure that the invoice in question is reviewed by the recipient so as to minimize disputes.

2. Can we recover the costs of services we provide to other UNDP COs?

If you service other Business Units/Country Offices' programmes, then you should recover the extent of your ISS through billing.

At this time we have not finalized a policy on the recovery of costs for inter-BU services on a Management Project. COs that provide support services to regional SURFs (ie: Lebanon, Panama, etc.) should set up a 'CRU' bill in Atlas to recover the support costs due to the CO from the SURF, based on local agreements with the SURF. However, it should be noted that current policies do not allow charging management resources.

3. Can our office continue to allocate a separate line for ISS and do 2005 ISS bills as a percentage for NEX/DEX support in case the government has agreed?

As noted elsewhere in this document, the Policy on Cost Recovery does not allow charging ISS as a percentage (see Section B, [Question 1](#) above). Country offices should cover their direct support cost on the basis of **actual costs or transaction fee (UPL)**. As these costs are an integral part of project delivery, they should be charged to the same budget line as the project input itself. It is no longer permissible to allocate lump the sum of all estimated ISS fees in one budget line.

4. How is the Universal Price List created?

The UPL, originally introduced in 2003 as a costing tool for **standard services** rendered to agencies, is based on a comprehensive survey of services provided to agencies. It is based on a True Hourly Cost methodology, whereby the cost of each transaction is determined based on the (a) salary costs (+30% GOE) of the service providing personnel and (b) the average duration (in minutes) of the transaction. To that extent it represents a solid approximation of the average cost of the transaction across all country offices. The UPL is subject to a yearly revision. Since several of the transactional services in the UPL actually constitute implementation support services (ISS) to programmes, COs have the faculty to charge for these standard ISS through the UPL and billing.

5. What if the services we provide are non-standard and are not included in the UPL?

Per cost recovery policy provisions, non-standard and *ad-hoc* services need to be negotiated and costed locally, outside the UPL. A valid justification needs to exist to depart from the UPL. Note that the UPL is intended to price standard transactions, not *ad-hoc* processes.

6. Is there a comprehensive list of reference material on billing in general?

As well as Building Block 6 referred to above, the following are useful reference guides that cover most aspects of billing in Atlas:

- [Communication on the Finance Network](#) by Atsede Worede-kal (1 August 2005), which appears in the Annex to this Chapter;
- Atlas [‘Quick Start’ Guide](#) and [Billing Review Webcast](#) (Atlas Digital Library);
- Atlas queries [UN BI ALL BILLS BY BU](#) (select Pending bills), [UN BI CRE COA](#), and [UN BI CRN CRU COA](#);
- Atlas query [UN BI DETAIL](#) (details of billing-related credits to extra budgetary income that have been posted to the GL and project resources);
- Atlas [Release 2.9 notes](#) , refer to section highlighting customization to [billing module](#)

7. Using the UPL for payment/disbursement services, do we charge the relevant fee for each transaction line, or only once per payment?

We only charge them for real transactions. The same approach to recovery for ISS also applies to projects under Direct Execution or where COs provide support to National Execution. Example: if a voucher has two lines, the 1st line for payment, the 2nd for bank fees, only one ISS fee is payable. But if a voucher has five lines, each line is for a payment to the same vendor, such as air ticket agent, five ISS fees will be charged, indicating five different transactions.

8. How do we treat recurring personnel management costs for non-UNDP staff? How do we recover for providing ‘recurring payroll services’ to non-UNDP UN Staff included in the Atlas payroll?

For staff UNDP manages on behalf of UN Agencies, the recovery **recurring personnel management costs** (identified in the UPL) follows the same policy logic for all the other services. It is a manual recovery process, whereby a CO simply includes one bill line in each Agencies bill (CRN for Non-ERP Agencies, CRE for ERP Agencies). Please note that this is an annual fee for the time being, so it applies only once per year per staff member of each Agency. Note that the UPL also feature a **payroll set up** fee applicable by the CO once only (per staff)

The provision for the recovery of **Recurrent Payroll Services** is different and is being finalized in 2005. Starting 2006, recurrent payroll services being provided by UNDP Copenhagen (not the COs) will be charged on a monthly basis directly by CPH. The CO need not be involved in the implementation of this aspect of cost recovery. However, it is important that COs do not charge for recurrent payroll services provided by Copenhagen.

9. Can currencies other than USD be used in CRU, CRE, and CRN bills?

No. For the time being, please use only USD.

10. What if a CO does not record ISS bills for services provided in 2004. Can the charges be effected in 2005 and what UPL rates should apply?

Timely billing is paramount to good service provision. A CO can do billing in 2005 for services provided in 2004, but it should not have to do so if proper billing management processes are observed. When billing retroactively, be sure to apply the rates from the UPL valid during the year the service was provided. If billing in 2005 for a 2004 service, the 2004 UPL should apply. Note that 'CRN' type bills, should go through batch process properly since the bills are debited to your office cost recovery project.

In case bills are CRU and CRE, the COAs provided in 2004 may be no longer valid, e.g. no budget exists, budget out of date, etc. This will lead to budget check failure or combo edit errors during billing batch process. If so, you will need to get in touch with service recipient and fix as appropriate. If recipient refuse to give you such, you will face difficulties recovering the costs because we have stipulated that billing will be done in a timely manner. COs are responsible for collecting agency service and ISS fees in a timely manner.

11. How often are 'RDY' bills processed?

Every week a batch process running centrally by HQs picks up and processes all bills set to 'RDY' status. Provided no errors occur (both staging and budget failure errors) income should be posted to a CO's XB immediately.

12. What reports or queries are available to verify ISS income to XB? Where can a list of posted bills for a given department be found?

The recently-introduced **Extra Budgetary Status Report** (available at UN Reports>Commitment Control>Extra budgetary Status Report) gives you such overview. To get the list of bills posted to GL, run query UN_BI_DETAIL (enter your BU, specify year and other required information - Navigation: Reporting Tools, Query, Query Viewer, enter UN_BI_DETAIL, click Search).

13. Are there any queries that can help COs manage the process of providing services to agencies and billing transparently? Where can we refer an agency that wants to see an itemized bill?

Service providing units are encouraged to share the following queries with their clients: Atlas queries [UN BI ALL BILLS BY BU](#) (select Pending bills), [UN BI CRE COA](#), and [UN BI CRN CRU COA](#);

14. Some invoiced bills ('INV' status) are not reflected in my CO's XB income. Why?

Possibly these bills failed either at combo edit stage which validates chart fields or at budget check stage which checks budget balance sufficiency.

To identify failed bills go to:

- Billing, Maintain bills, Correct Staged Acctng Errors, enter your business unit and click Search; or
- Billing, Maintain bills, Correct Budget Check Errors , enter your business unit and click Search

15. How do we correct failed bills?

Detailed instructions are available in the Atlas ['Quick Start' Guide](#) and Atlas [Release 2.9 notes](#) (section highlighting customization to [billing module](#)).

For budget check failures, there are three types of errors.

1. 'Budget Date out of Bounds' – manager can do a budget override in Commitment Control;
2. 'Exceeds Tolerance' – manager can do a budget override in Commitment Control.
3. 'No Budget Exists'- manager cannot override. Bills' owner has to ask budget owners to provide another COA or extend the budget to the current year. If the budget owners can not do this, UNDP lose the income from such bills.

16. A specific amount has been determined for non-standard (non UPL) ISS. When billing for these ISS what identifier should to be selected for billing?

Select identifiers starting with 800001 and up which are special codes, particularly for common/shared services, where no price is hard-coded. So, whenever you have to input an amount (instead of choosing a service from the list) you have to use a code in the 80000-range

17. When preparing a bill, are the 'Billing Authority' and 'From Date'/'To Date' fields of the Header-Primary page required fields?

As you know PeopleSoft is a commercial software package, and hence you always find many fields in a page that UNDP does not use, and which are either not configured, or simply do not fit our business process. As a general rule, if the field is not mentioned in any of the training materials, it should be left blank. In the above case specifically, you can leave these fields blank. But, if you want to put in biller's name or From/To Dates, the system has been customized to accept these.

18. What bill type is used to charge for services provided by UNDP to a project executed by an Executing Agency?

See [Question 8 in Section B above](#) for additional background. The project budget is recorded in Atlas under the country office BU, but as it is not a NEX project, the CRU bill type **cannot** be used. In cases where support services are provided to the executing agency, the cost of such services must be recovered. However, as indicated in Section B, question 8 above, UNDP CO must make sure that we charge the **executing agency**, **not** the **project budget**. The reason is that in the case of execution we de-facto hand over budget control to the executing agency and they should determine what services are needed. Also, the cost for these services should come to the project via the agency PDF, and we should not charge the project directly, because there is otherwise a danger of recording the fees twice. Use **CRN bill type** for a non-Atlas executing agency and **CRE bill** type for an Atlas Executing Agency (e.g. UNOPS).

19. Which bill type should be used for recording ISS fees for support services provided to UNODC?

There are two bill types for UNODC services

- CRU for services to UNODC projects residing in UNDP business units. These UNODC projects are treated like NEX projects.
- CRN for Financial Authorizations by UNOV/UNODC on behalf of UNODC. Use your Cost Recovery Project, Fund = 12000. Donor = 01863 (UNOV).

20. Can UNDP recover costs for running pay cycle for UNPFA vouchers (for EFT)?

The current arrangement between UNFPA and UNDP is that UNDP **does not charge other Atlas agencies** for running a fully automated pay cycle (bank interface). If UNDP issues checks or prepare bank transfers manually, the costs need to be recovered in line with the UPL.