1. UNDP is a multi-funded organization, with resources contributed by partners either through regular voluntary contributions or through other resources earmarked to specific themes, projects or countries. Underpinning an implementation framework for the use of multiple funding sources to finance positions is the multi-funded nature of UNDP.

2. For UNDP to align its costs with its results frameworks and related funding sources, flexible funding of positions from multiple funding sources shall be permitted. The Integrated Budget (DP/2013/41) reflects a strategy for financing positions that recognizes the variety, multiplicity, and complexity of the various UNDP funding streams. Furthermore, the Direct Project Costing policy enables qualified organizational costs to be charged directly to programmes and projects. This approach leads to a more strategic and efficient use of core resource allocations, and a more accurate linkage of costs to underlying funding sources. Subsequently, core funded positions (fund codes 02300 and 02550) are no longer managed on a ‘whole position basis’.

3. Effective 1 January 2014, all positions are eligible for multi-funding, except the positions at the D1 and above level. In other words, all positions at the P5 and below level can be multi-funded.

4. The charging of positions to multiple funding lines shall be linked to the office work plans, and required capacities. There must be a legitimate and demonstrable direct link between the funding source and related development results and the work activities of the staff member - refer to POPP chapter on DPC.

5. The aim is that the allocation of office core institutional budget resources for positions will be allocated as one resource envelope for staff costs, with a fixed number of positions. The office makes the determination how much of the staff core resource allocation to use to fund multiple positions in combination with other resources. COs can be guided in this decision by using the guidelines on CO Workload Study, as explained under the DPC Implementation Methodology section. Transitional arrangements of full implementation of multi-funding core positions will be in place during the 2014-2015 period. Offices should contact their BoM/OFM focal points for further guidance.

6. The use of multiple funding sources is a funding mechanism, not an HR strategy. It shall not be applied to upgrade existing positions to higher grades or to increase the number of positions, but only as a means to maintain staff capacities at required levels while establishing a direct link between staff functions and staff funding sources. Increasing or upgrading existing position would result in higher costs in the development projects without corresponding development impact.

7. While there is no envisaged ex-ante constraint on the number of distinct multiple funding sources for a position, the accountability of budget owners for resource availability does not change. Hence, following present practice, the offices shall work closely with the budget owners, who will need to confirm resource availability with respect to all funding sources relevant to funding of positions.
8. Whereas multiple funding source combinations are to be allowed to finance a position this will not change the principal cost classification category of such a position. In other words, the cost classification categories of positions are not to be changed, notwithstanding the funding composition of a position. The following example illustrates this point:

- Programme unit positions can be co-funded from a mix of Development Effectiveness (i.e. Atlas fund code “02550”), and programme resources (Atlas fund codes 04000, 30000 and trust fund codes).
- Management and Operations Unit positions that provide implementation support services can be co-funded from core institutional budget allocations (fund code 02300), XB income (fund code 11300) and programme resources (fund codes 04000, 30000 and trust funds).

9. The example below illustrates the change from current practice, and allows greater flexibility for the offices to manage their core institutional allocations as they judge best, and mix their core allocations with other available resources to fund the positions:

- In the prior biennium institutional budgets call for an Assistant Resident Representative Programme (ARR-P) position to be fully core funded even if the ARR-P has responsibilities covering a portfolio of both core and non-core programmes. Furthermore, even if the programme portfolio changes from one Country Programme period to the next, the position continues to be funded from the same core allocation within the two-year budget period.
- Under the integrated budget strategy for 2014-2017, the same position could, for example, based on the nature of work conducted by the incumbent as informed by the results of the CO workload study, be financed from a combination of institutional budget and other resources.

10. Multiple funding lines for positions shall be implemented in the HR module of Atlas (not by GLJE adjustments) in order to minimize transactional costs. The distribution of the position funding line (chart of accounts (COA)) is made only once at the beginning of each year, and then monthly payroll automatically charges the relevant funding sources (e.g COA) as per the percentages on the position funding distribution in Atlas HR module. The process of setting up the funding lines is a one-time set-up which remains in place for the remainder of the year unless there are changes to the COA and/or percentages as a result of updated workload study (WLS) done by the CO. If significant staffing changes occur during the year, a revised workload study should be considered.

11. Offices should use judgment to review the practicality and transactional burden of having more than 10 COAs per position. While the flexibility of the maximum number of COAs rests with the office depending on the size and scope of their programme portfolios, the number of COAs lines per position should be easily manageable and monitored. Preferably, the number of COA lines per position shall not exceed 10 lines. The offices would therefore need to include the estimation
of directly attributable costs for the projects during the programme planning stage or during the preparation of budget revisions with substantive changes. If the programme projects have multiple outputs which are supported by the UNDP offices, it may be easier to assign the direct project costs to one output rather than splitting it into several outputs within the same project.

12. Speed-charts can be set-up once in the Atlas finance module, and be utilized to charge general operating expenses that are directly attributed to the staff function (office bills such as electricity, rent, telephone and internet charges) in the same ratio as staff positions are funded. For example, if staff costs (aggregated) are 35% funded from 02300, 25% funded from 02550, 30% funded from 11300, and 20% funded from programme funds (30000), the same template can be set up as a speed chart which can be utilized each time an office bill is paid. (Please refer Annex 1 for an illustrative demonstration of costing the personnel and general operating expenses in the development project budgets)