Handling of Cash and Receipts

1. Any individual handling cash is responsible for proper security and accountability. In the light of the personal liability involved in performing cash handling functions, it is important that only authorized staff accept funds on behalf of UNDP. Staff are required to appropriately safeguard, account for and document all cash received. Staff are requested to record serial numbers on cash notes received in the event there is a concern at a future date about the validity of the notes accepted.

2. Policy guidance on handling cash and receipts (including related authority and type of cash) is presented below.

Separating Individual Cash Handling Duties

3. The components of cash handling - collecting, depositing, and reconciling - should be separated so that one individual does not have responsibility for all activities. As a minimum, effort should be made to separate the handling of cash from the reconciliation process. Separation of duties shall be implemented to the maximum degree possible and in line with UNDP’s internal control framework.

Authority to Receive Money on behalf of UNDP

4. Only authorized staff may receive cash, issue receipts or record receipts on behalf of UNDP. To the extent possible, separation of duties must be maintained when cash is received in offices.

5. The Treasurer, for Headquarters, and Resident Representatives, for their respective country offices, are responsible for verifying the competency of staff assigned to handle cash.

Authorized Receipts

6. Contributions received from donors, including local governments or private organizations for programme activities should be consistent with the policies, aims and activities of UNDP. These contributions may only be directly deposited at depository bank accounts established by the Treasurer.

7. Other authorized cash receipts that are not related to programme activities include payments from UN agencies for reimbursable services and from staff for amounts owed to the organization.

8. Further guidance is provided below by type of receipt.

Regular Resource Contributions

9. Voluntary contributions shall be directly deposited in the depository banks set up by the Treasurer. Contributions received from governments in local currency shall be deposited in the country office bank account. If the government prefers to pay its contribution in a currency
other than the local currency, the Resident Representative will instruct the government after consulting the Treasurer.

**Cost sharing or trust fund Contributions**

10. Payments in US dollars from any donor is to be deposited directly in the UNDP Contributions Account No. 36349562 with the Citibank New York, USA. For country offices having a Zero Balance Account (ZBA) at Bank of America, the payments may be deposited in their ZBA account.

11. US dollar cheques received from governments can be deposited in the local dollar account, after informing the Treasurer, if the amount does not exceed the country office’s monthly operating cash requirements. If the receipt is in excess of the country office’s monthly operating requirements, the Country Office Cash Management Unit in Treasury Division should be contacted for further instructions. The email address is treasury.cash.management@undp.org.

12. If the country office does not have a local US dollar account, the cheques should be poached to the Treasurer with an advice to treasury.cash.management@undp.org.

13. Country offices may not convert US dollar amounts received from governments for deposit to their local currency bank account without prior authorization from the Treasurer.

14. Payment in local currency requires prior approval of the Treasurer, who may provide standing authorizations in certain circumstances. Offices may only accept local currency cost-sharing contributions after receiving authorization from the Treasurer.

**Miscellaneous receipts from staff and vendors**

15. Cash received from staff or vendors (e.g., settlement of travel advances, telephone charges, retirees’ Medical Insurance Plan (MIP) contributions, refund of overpayment) can be received by country offices provided that the currency is not an accumulating non-convertible currency. If it is an accumulating non-convertible currency, please contact treasury.cash.management@undp.org for guidance.
16. Offices must take all necessary steps to ensure that governments meet their obligations for payment of contributions to which they have committed themselves, and must keep Headquarters informed by copying correspondence to the respective Regional Bureau (Please refer to GLOC policy).
17. Offices may provide regional bureau and OFRM by 31 December the prospects for collection in the following year.

Government in-kind contribution towards local office costs

18. Offices should submit a detailed schedule showing contributions in-kind made available by the host government, providing an estimate of the monetary value of each item. This is done through an annual year-end certification of the donated rights to use.

Receipts for reimbursable services

19. UN Agencies should pay in advance for services rendered by UNDP offices. The Treasury Division in Headquarters liaises with the UN Agencies to ensure that sufficient funds are deposited by each agency.

20. Offices can also receive payments locally on behalf of agencies up to US$10,000 which they can convert locally, crediting the Agency Service Account as explained in Section 2.4, Agency Receivables. Offices can also receive payments in currencies other than US dollar up to equivalent of $10,000 provided the currency can be converted to the local currency account.

Control of Receipts

21. The following items should be controlled:

- Timeliness of cash deposits: In order to optimize investment earnings and reduce the possibility of theft and loss, all receipts of cheques and currency are to be deposited intact in the proper depository bank accounts within two business days (48 hours) from the time of receipt by the office, and within 24 hours for cheques and currency equivalent of US$ 500 or more
- Cheques and cash should never be held by an office because it is awaiting accounting information. If it is not possible to identify the proper account to which a remittance should be credited, the remittance should be recorded and appropriate follow up should be made to obtain payment information
- Deposits must be accompanied by a proper bank deposit receipt form which must be maintained by the cashier for control purposes and for possible audit questions
- The operations manager in Treasury Division, OFA and the Head of Finance or Operations Manager in country offices should review the daily cash collection report supported by Atlas to ensure proper control over deposits
- Staff should never keep UNDP’s cash with their own personal funds or deposit funds in a personal bank account or take UNDP’s funds home for safekeeping
- Reductions of recorded cash, e.g. voids and refunds, must be supported by documentation and approved in writing by the supervisor
- All cheques must be made payable to UNDP. Cheques payable to an individual must be appropriately endorsed before submitting to UNDP. The endorsement must be preceded by "pay only to UNDP"
- All receipts must be deposited intact. No expenditures may be made or cheques cashed from cash receipts.
Authorized modes of payments

22. All organizations paying monies to UNDP should be encouraged to directly deposit in the bank accounts set up for accepting deposits. Direct deposits into the bank is the most preferred method of payment since it provides for improved control of funds, reduces the risk of loss due to errors, carelessness, or theft.

23. In situations where direct deposit is not possible, every check or money order must be reviewed for completeness, as follows:

- Account holder's name, address, and phone number should be included on the cheque
- The cheque should have a bank name, routing number, and customer's bank account number
- The date of payment should be verified: A post-dated cheque (one with a date in the future) should not be accepted. Cashier should not agree to hold the cheque for future deposit
- Amount written in numbers should match amount written in words

24. If a cheque is delivered in person, the identification of the individual submitting the cheque should be recorded, such as driver's license number, passport number, etc.

25. Deposits to the bank, as well as checks received directly for UNDP, must be reviewed, approved and recorded in the Atlas Accounts Receivable module immediately, within a maximum of 24 hours. As a minimum, information recorded in Atlas should include the following for all receipts deposited directly in the bank or collected in person from individuals, as well as cash receipts received through the mail:

- Payer’s name
- Amount and currency of payment
- Mode of payment (cash, cheque, money order, etc.)
- Purpose of payment
- Date of payment
- User identity number (‘ID’) of employee collecting funds

Returned Cheques

26. Cheques returned to the office must be controlled during the process of attempting to collect the returned amount. Cheques that are deemed uncollectible are to be returned by the bank to the designated staff.

27. A returned cheque must be redeemed either by a new payment or if appropriate, by redepositing the returned cheque.

28. Physical security and accountability for returned cheques must be maintained from the time of receipt until final disposition.
Cheque Cashing

29. Certain local conditions may necessitate the provision of personal cheque-cashing services for staff. Any office providing this service shall establish local instructions, stating:
   - the circumstances under which such services would be provided
   - maximum amount allowed to be cashed - personnel eligible to cash cheques
   - the controls that will be followed to handle such cheques

30. Personal cheques accepted in exchange for cash must be made payable to the country office. Employees handling cash may not cash cheques for themselves or for other members who are responsible for cash handling.

31. Deposits are recorded in Atlas upon receipt of one of the following inputs:
   - Deposit slips duly signed by the bank
   - Amounts directly deposited in UNDP bank accounts and recorded in bank statements issued either electronically or by hard copy
   - Receipt of cheques payable to UNDP.

32. Deposits should be recorded in Atlas under Accounts Receivable, Online Payments. Deposit ID is generated automatically.

33. Once deposits are recorded and posted, they are considered as “official receipts”. Any reversal or cancellation of a deposit should be properly documented and approved by the Head of Treasury for Headquarters or Head of Operations at the country offices level.

34. Miscellaneous receipts that do not correspond to program operation receivables are recorded using the A/R direct journal feature. Accounting entries for miscellaneous receipts should be recorded immediately after the deposit has been recorded.

Roles and Responsibilities

Chief Finance Officer

35. The Chief Finance Officer develops and publishes UNDP-wide cash handling policy, and provides general coordination and assistance to offices. He/she furnishes appropriate information regarding UNDP’s cash handling practices and procedures as required.

The Treasurer

36. UNDP Treasurer is responsible for managing relationships with organizations that provide banking services to UNDP, opening bank accounts when requested by designated country office officials, and maintaining an inventory of authorized UNDP bank accounts.

37. The Treasurer is also responsible for authorizing currency conversion and other cash receipts that require the Treasurer’s prior authorization as indicated in prior sections.
Offices

38. The Head of Office is responsible for all office cash handling activities in accordance with the policy established in the present Policies and Procedures.

39. The Head of Office may delegate the responsibility for coordinating all cash handling operations in the office. The delegated staff is responsible for implementing this policy at office level as follows:
   - May assign staff to perform functions related to cash handling according to this Guide
   - Arranges for the preparation and implementation of operating procedures in accordance with this Guide
   - Approves variances from this procedure when warranted by local circumstances
   - Maintains liaison with the Treasurer concerning cash handling matters
   - Reviews and approves all proposed new or modified cash-handling-related applications
   - Performs an annual review of compliance with the above procedures and informs the Treasurer of risks associated with each office’s cash handling unit

40. When recording deposits, it is important that users enter the correct bank and currency in Atlas. Once a deposit is recorded, reversal is not possible. The only way to correct deposits is by recording a negative deposit. Therefore, negative deposits should be duly approved by the Treasurer or Head of Operations.