Handling of Cash and Receipts

Host Government cash contributions towards local office costs

1. 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).

2. 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

3. 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

4. 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.

5. 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

6. 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"

7. All receipts must be deposited intact. No expenditures may be made or cheques cashed from cash receipts. Authorized modes of payments

8. 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.

9. 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

10. 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.

11. 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

12. 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.

13. A returned cheque must be redeemed either by a new payment or if appropriate, by redepositing the returned cheque.
14. Physical security and accountability for returned cheques must be maintained from the time of receipt until final disposition.

**Cheque Cashing**

15. 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

16. 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.