

January 5, 2009

To: Country Directors
Deputy Resident
Representatives
MPN Finance
MPN HR

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Subject: **New Procedures for Advances to International Professional staff and National staff**

Dear colleagues,

As you know, payroll for the “wave 2” population (International Professionals and NY GS staff) was implemented in Atlas HCM in June 2008. This integration of the payroll functions for all UNDP staff within Atlas HCM has made it possible for us to introduce business process improvements regarding staff advances. The end result, we hope, will be better control over the reconciliation of staff advances and a simplified process for carrying out the open item reconciliation.

The changes, described in more detail below, apply to the following areas:

1. the COA on the AP voucher for the staff advance
2. the authority to approve advances to international professionals (IPs)
3. the COA on the recovery of the advance (via the GP to GL interface)
4. the “open item” reconciliation

Additional guidance will be issued shortly on the procedures for correct use and analysis of staff advance accounts.

Advances to International Professionals (IPs)

Effective immediately, all advances to IPs will be approved, in Atlas, by OHR. This includes salary advances, emergency advances, ed grant advances, rental advances and car advances.

In the past, country offices approved rental advances and car advances under a delegation of authority from OHR to the RR. These advances were typically given in local currency and country offices recovered the advance from the local or “MPO portion” of the salary. However, now that local portion of the salary is part of the regular payroll we no longer need a special procedure for recovering local currency advances. Going forward, country offices will create AP vouchers for rental and car advances, submit to OHR for approval, and then OHR will immediately setup the recovery of the advance using payroll deduction. The advantage for country offices is that you will no longer need to maintain a separate recovery schedule outside of Atlas.

For UNDP staff, the COA on the advance (the AP voucher) for rental and car advances is as follows:

GL Unit	Account	Op Unit	Dept	Fund	Project	Donor	Impl Agy	Open Item
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UNDP1	Rental 14030 Car 14025	H18	11701	00001	Blank	blank	blank	Index number
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For non-UNDP staff the GLBU, OU, and Dept will vary depending on the Atlas agency on the Job Business Unit. The COA on the advance (the AP voucher) for rental and car advances is as follows:

GL Unit	Account	Op Unit	Dept	Fund	Project	Donor	Impl Agy	Open Item
UNFPFA	Rental 14030 Car 14025	Blank	06000	00001	Blank	blank	blank	Index number
UNOPS	Rental 14030 Car 14025	Blank	00400	KY004	Blank	blank	blank	Index number
UNCDF	Rental 14030 Car 14025	Blank	82117	G0001	Blank	blank	blank	Index number
UNIFEM	Rental 14030 Car 14025	H60	90508	W0001	Blank	blank	blank	Index number

After creating the voucher, submit to gps.ipmu@undp.org for approval and for setting up the recovery of the advance in payroll.

The vendor record for the staff member should be in the APBU for the agency. If not there, then you need to ask the agency to create/approve the vendor in their APBU.

If a staff member prefers to repay his/her advance via cheque, then OHR should be notified and the COA on the AR deposit should match the COA on the AP voucher.

The reconciliation of IP advances, using the open item function in Atlas Financials, will be carried out by each agency at HQ. Country offices are not responsible for reconciling advances to IPs.

Advances to National staff

Country offices remain responsible for approving advances to national staff, for entering the recovery of the advance in Atlas HCM, and for reconciling the advances using the "open item" function in Atlas Financials.

Many offices find the "open item" reconciliation process very burdensome and, as a result, are not doing the reconciliation on a regular basis. An advance can be reconciled in Atlas only if the COA on the advance exactly matches the COA on the recovery. In the past the COA on the recovery (which is posted via the GP to GL interface) rarely matched the COA on the advance and, therefore, offices had to create GLJEs to align the COAs. In addition, because the reconciliation was done in USD equivalent, offices had to create GLJEs to clear out differences in the USD equivalent balance resulting from fluctuations in the FX rate between when the advance was issued and when it was recovered.

As described below, new procedures have been developed to address both issues. Going forward, you should not need to create GLJEs prior in order to reconcile staff advances.

1: COA on the advance

Effective immediately, for all new advances to UNDP national staff the COA on the advance (the AP voucher) is as follows:

GL Unit	Account	Op Unit	Dept	Fund	Project	Donor	Impl Agy	Open Item
UNDP1	(1)	(2)	(2)	00001	blank	blank	blank	Index number

For non-UNDP staff the GLBU, OU, and Dept will vary depending on the Atlas agency on the Job Business Unit. The COA on the advance (the AP voucher) is as follows:

GL Unit	Account	Op Unit	Dept	Fund	Project	Donor	Impl Agy	Open Item
UNFPA	(1)	Blank	(2)	00001	blank	blank	blank	Index number
UNOPS	(1)	Blank	(2)	KY004	blank	blank	blank	Index number
UNCDF	(1)	Blank	(2)	G2120 G0001 (3)	blank	blank	blank	Index number
UNIFEM	(1)	(2)	(2)	W0001	blank	blank	blank	Index number

- (1) *The account number is one of the following:
14020 – Salary advances and emergency advances (we are no longer using account 14035 for emergency advances)
14040 – Special Educational Grant advance paid to staff for children with a disability
14050 – Medical advance*
- (2) *Use the Operating Unit and Department on the post COA. For the recovery, the GP to GL interface will also use the Operating Unit and Department on the post COA.*
- (3) *Use fund code G0001 for CDF international ALDs*

After the advance has been issued, enter the recovery schedule in Atlas HCM using the appropriate deduction code.

The GP to GL interface will post the recovery to Atlas Financials. In the past, the recovery was posted to the COA on the staff member's post. Effectively immediately (with the November 2008 payroll) the recovery will be posted to the COA listed above, which is the COA on the AP voucher.

Going forward, as long as all new advances use the COA listed above the COA on the advance will match the recovery and you will not need to create GLJEs to align the COAs.

For those offices that permit staff to make personal telephone calls on the understanding that the staff member will reimburse UNDP, then the AP voucher created to pay the telephone company should debit account 14085 for the portion of the bill that will be reimbursed by the staff member. After the receivable has been created the staff member should reimburse UNDP via cheque or through payroll deduction. If through payroll deduction then use the deductions code UNDD_TELPHN, which is mapped to account 14085 via the GP to GL interface.

2: Currency of the open item reconciliation

All advances to national staff are issued in local currency and the recovery schedule is also entered in local currency. In the past, after the local currency advance was fully recovered, country offices were instructed to reconcile the advance in USD equivalent, which usually required creating GLJEs to clear-out the remaining balance in USD equivalent.

Effective immediately, reconcile the national staff advances in local currency and not the USD equivalent. At HQ we will clear out the remaining USD equivalent balance at the end of the year.

There are two “pages” for the Open Item Reconciliation. The first page shows balances summarized by open item reference, ChartField, and currency. This page only allows you to reconcile only the USD equivalent. The second page, which we refer to as the details page, shows individual transactions at the journal and journal line level. On this page, you can reconcile based on the local (transaction) currency. You can reconcile on the “details” page after selecting the hyperlink on the open item id (index #).

If you have already reconciled advances in USD equivalent you do not need to take any action. But going forward you should reconcile advances in local currency

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