**Certified Financial Reports**

1. The certified financial report gives a comprehensive view of how contributions are recorded and utilized, reflecting the operational status, revenue, expenses, and balance of the contributions provided by individual non-programme country donors. The recipients of these reports are these donors and the relevant UNDP country offices.

Information source

1. The data contained in these reports is extracted from the UNDP financial statements and in all material respects is in accordance with UNDP’s financial records and IPSAS compliance.

Contents

1. Each report contains the summary and detailed revenue, expense and balance by category of financing, i.e. cost-sharing (project level co-financing), trust funds, funding windows and thematic trust funds (fund level co-financing) for donor. The detail section has three Parts and three Annexes when there is information to present.

* Part I: Reports for Projects Financed by Cost-Sharing Agreements. A co-financing modality under which contributions can be received for specific UNDP programme activities.
* Part II: Reports for Projects Financed by Trust Fund Agreements by the following activities.
* Trust fund activities: A trust fund is a modality normally established to receive donor contributions in support of broad themes - such as UNDP's practice areas, and regional programmes.
* Funding window activities: Funding Windows are UNDP’s new pooled and flexible funding mechanisms which are organized around themes to help UNDP and partners align around common goals to achieve the Sustainable Development Goals. A financial overview of each Funding Window is presented in this report at sub-window level.
* Thematic trust funds activities: An overview of each Thematic Trust Fund and its service lines is provided for more useful and better information for readers. Further details on outputs for country and regional window initiatives, funded by a donor i.e., country, output status, output/project descriptions are also provided.
* United Nations Volunteers Programme (UNV): Financial data on UNV programme activities and the funding types are incorporated in the report.
* Part III: Reports for Projects Financed by Special Activities Agreements. Reported in this section are activities financed from trust or similar funds or special accounts on a reimbursable, reciprocal, or other basis whereby goods, services and other requirements may be provided to development partners such as Governments, international or intergovernmental or nongovernmental organizations.

The information displayed on the columns of the above-mentioned summary and detailed sections are explained below.

* Opening Balance: The IPSAS opening balance represents the unspent balance for the Output from the previous years. The opening balance consists of the previous year’s closing balance adjusted to reflect any prior period adjustments shown in annex II.
* Net Annual Contributions Revenue: Annual contributions are calculated to provide information in order to align with previous revenue recognition policies for contributions, representing cash received in a reporting year, plus receivables due in a reporting year. Transfers to/from other funds and refunds to donors are also included in this column, and the detail breakdown are shown in annex I.
* Other Revenue: Includes revenue resulting from miscellaneous activities.
* Expenses comprising of goods delivered, services rendered, depreciation of fixed assets, and total employee benefits.
* Closing Balance: Represents a balance in the reporting year, including balances from prior years.
* Commitments: Although expenses do not include commitments, this new column represents purchase orders and/or legally binding vendor contracts entered into, but where goods or services have not been delivered or rendered by the end of the reporting period.
* Un-depreciated Assets & Inventory: This column has been added to show the value of assets purchased but not yet expensed:
* Un-depreciated value of assets purchased that are under UNDP’s use and control.
* Inventory, such as goods and materials produced for distribution or consumption in an output that have not yet been consumed or distributed.
* Receivables Past Due, less any contributions received in advance: Represents amounts due from donors, but which have not yet been paid (i.e., past due), according to dates in the schedule of payments from signed agreements. Advance receipts (e.g., any contributions received prior to the schedule of payments) are subtracted from the receivable past due.
* Available Resources: Shows the fund/output closing balances after adjusted with future expenses and contributions receivables past-due.
* Annex I: Contributions revenue as at 31 December YYYY
* The annex is included to provide further details of the Net Annual Contributions Revenue column within the body of the report, which includes Annual Contributions Revenue, Refunds, and Transfers made in the reporting year.
* This annex also presents the details of total contributions revenue recognized to date, which includes Annual Contributions Revenue, Prior Years Contributions Revenue, and the Future Revenue. The future revenue are all future due contribution revenue as per due dates in signed agreements after the financial year or reporting period
* Annex II: Comparison of prior year closing balance and current year opening balance
* This annex presents prior period adjustments made to prior reporting year closing balances, and how the closing balances relate to the reporting year opening balances. They are attributable to prior periods, resulting from changes in accounting policies and estimates or corrections of errors made in previous years.
* Annex III: Financially completed outputs for the reporting year of 1 January YYYY to 31 December YYYY

Frequency of reporting

1. UNDP Bureau of Management Services, Office of Financial Management (OFM, BMS) is responsible for providing the annual certified financial reports as of 31 December by the 30 June of the following year to non-programme country donor and the relevant UNDP country offices.