**Non-Core Contributions**

1. **Scope and application**
	1. The policies in this section focus on the following types of agreements:
2. Programme Country Government Cost Sharing
3. Third Party Cost Sharing
4. European Union (EU) Agreements
5. Trust Funds
6. United Nations Volunteers

# Overall Revenue Recognition

2.1 Revenue recognition is the process of recording revenue in the General Ledger (GL) accounts for eventual reporting in the UNDP financial statements. Under the International Public Sector Accounting Standards (IPSAS) revenue may be recorded before cash is received, however, spending by UNDP may only occur after cash is receipt into the respective UNDP bank accounts, in accordance with the UNDP FRRs.

# Programme Country Government Cost Sharing

* 1. This is the modality by which a programme country government allocates some of its own resources (which may include the proceeds of a loan from an International Financial Institution and from other sources) towards a UNDP programme or project. In this context, the government can be the national government as well as any of its branches at the central or local level duly authorized to enter into agreements with UNDP.
	2. The signed Project Document (ProDoc) and Annual Work Plan, together with a schedule of payments and a budget reflecting the cost-sharing elements, constitutes the legal agreement between UNDP and the programme country government. However, at the government’s request, an additional financing agreement may be concluded, using the standard text in the Model UNDP Programme Country Government Cost-Sharing Agreement.
	3. The signed financing agreement or ProDoc together with and Annual Work Plan should be submitted to GSSC via UNITY/UNall **within 1 week** of signature.
	4. Government cost sharing revenue will only be recorded in the general ledger upon signature for donors with a consistent transfer history to UNDP, i.e. donors who normally transfer amounts pledged consistent with their commitments.
	5. For donors with a variable transfer history, i.e. not consistent in providing funds on time or the amount transferred varies compared to the amount committed, revenue recognition will take place upon the transfer of cash.
	6. UNDP will periodically review cash inflows by programme government to determine the value of the agreement can be reliably estimated. If so, the amount will be recognized as revenue.

# Third Party Cost Sharing (TPCS)

4.1 Third Party Cost Sharing is when donor governments and other donors contribute funds towards UNDP programmes and projects.

* 1. Various standard UNDP agreement templates are available and should be used depending on the category of donors: donor governments, UN agencies, private sector entities, foundations, etc. Standard UNDP contribution agreement templates should be used except when donor-specific third-party cost-sharing contribution agreement templates have been negotiated and approved by the Legal Office, Bureau of Management Services.
	2. The signed legal agreement / Notice of Effectiveness letter / or similar binding agreement (where applicable) should be submitted to GSSC **within 1 week** of signature.
	3. Global fund agreements are part of TPCS. Refer to the separate [Revenue Management Guidance: Global Fund Revenue](https://popp.undp.org/node/3226).
	4. A standard third-party cost sharing agreement enters into force upon signature of the donor and UNDP. The entire amount of revenue will be recognized upon signature of the agreement by both parties. This means that all instalments will be recognized as revenue upon signature of the agreement and not based on dates in the schedule of payments of the agreement.
	5. For multi-year contributions, revenue is recognised based on the full amount of the contribution agreement even if/when the schedule of payments is distributed over several reporting periods. Exceptions may exist due to certain stipulations in these agreements. Any such stipulations are reviewed by GSSC and, where necessary, GSSC will consult with OFM/FPMR/CFRA. Such exceptions may delay the recognition of revenue until the amount due to UNDP is confirmed by the donor.
	6. Recognition of the revenue depends on the clause in the signed agreement. “Entry into effect” clauses of such non-standard cost sharing agreements could be that, in certain cases, the agreement is conditional upon prior parliamentary approval. In such instances, revenue is recognized based on the full agreement amount at the time of signature as most parliamentary approvals that form part of the donor’s general annual process do not restrict revenue recognition. For instances where parliamentary approval is required after which an annual letter from the donor is required before the commitment is confirmed, revenue should only be recognized upon submission of the confirmation by the donor or receipt of funds.
	7. For Green Climate Fund, normally there is an effectiveness clause in the financial agreement and only once the Fund provides the Notification of Effectiveness will the revenue be recognized.
	8. In order to accommodate specific financial and legal requirements, some donor-specific contribution/grant agreements have been negotiated between UNDP and the donor and any non-standard clauses may have an impact on revenue recognition under IPSAS. Any deviation from a standard agreement must be reviewed and cleared by the Legal Office, Bureau of Management Services before the agreement is signed. Clearance must be provided by the Legal Office before GSSC is able to record any revenue.

# EU Agreements

* 1. Please refer to [Resource Mobilization Toolkit fo](https://intranet.undp.org/unit/pb/resmob/rmtoolkit/Pages/default.aspx)r detailed guidance on EU funding.
	2. The EU does not fully release its final contributions for a project before it officially approves the final report. This arrangement requires UNDP to pre-finance a maximum of 20%, or the final agreed percentage, from other funding sources. It is important to note that according to the Financial and Administrative Framework Agreement (FAFA) points 7.1.1 and 7.1.2, the EU could pre-finance from 80% to 95%.
	3. Taking into account FAFA special and general conditions governing EU funding, revenue is recognised upon signature based on the amount stipulated in the signed agreement. The signed agreement should be submitted to GSSC **within 1 week** of signature. For the purposes of recognizing receivables from unbilled, any report will be deemed approved 45 days after receipt, accompanied by a request for payment, if the Commission has not reacted.
	4. Interest refunded to the EU: There are instances where interest is to be refunded to the EU according to the signed donor agreement and the EU deducts such interest from the final instalment. Refer to the procedures further below under the EU section for the steps to follow.

# Trust Funds

6.1 Trust Fund partnerships are formalized through standard co-financing agreements applicable to Open, Thematic and Closed Trust Funds, available [here](https://popp.undp.org/node/11661).

1. Standard agreements formalizing working arrangements of trust funds enter into force upon signature.
2. Revenue will be recognised upon signature based on the amount stipulated in the signed agreement between the donor and UNDP.
3. For multi-year contributions, revenue is recognised based on the full amount of the contribution agreement even if the schedule of payments is distributed over several reporting periods. The signed agreement should be submitted to GSSC **within 1 week** of signature.

# United Nations Volunteers (UNV)

7.1 UNV may receive non-core contributions via Trust Funds and Cost Sharing agreements. Policies and procedures for such non- core contributions are described below under the sections on Trust Funds and Cost Sharing and apply to these UNV contributions.

* 1. Listed below are other types of contributions received by UNV and their treatment under IPSAS:

UNV’s Special Voluntary Fund:

* 1. The Special Voluntary Fund (SVF) is a special purpose fund made up of voluntary contributions, contributions from other governmental, intergovernmental or non-governmental sources and related interest earnings and miscellaneous income. The resources are co-mingled, untied, and treated as core resources. Since no agreement or any binding document is signed, SVF contributions are recorded as revenue upon receipt of cash.

Full Funding:

* 1. Under Full Funding, donors provide for the total costs required to support an individual UN Volunteer assignment. While a few donors guarantee long-term support for full funding, contributions are usually negotiated on an annual basis. At times, contributions may be received based on a set schedule but are often tied to specific recruitment of volunteers. In order to formalize these arrangements, UNV uses a modified cost sharing agreement template containing all mandatory clauses. Revenue is recorded based upon the signature. The signed agreement should be submitted to GSSC **within 1 week** of signature.

# Key Information on Revenue Management Processes

8.1 The Global Shared Service Centre (GSSC) is responsible for recording all voluntary contributions for both core and non-core contributions. UNDP Offices should submit the signed agreement and amendments to legal agreements to GSSC via UNITY/UNall, **within 1 week of signature**.

* 1. At the end of every year, the Head of Office will be required to certify in the annual representation that all signed agreements/amendments to agreements have been submitted to GSSC on a timely basis prior to the closure of the financial ledgers. This will help ensure that UNDP revenue is captured in a timely manner as any late submission of these documents poses a significant management reporting risk and audit risk as revenue will not be reported accurately in the UNDP financial statements, including quarterly financial statements.
1. **The Contract Management Module**

9.1 The Contract Management Module in Quantum is used for recording of contributions. Information relating to the agreement and the necessary accounting information is entered into the Contract Management Module to ensure that revenue is recorded in the General Ledger and reflected correctly in UNDP accounts.

* 1. The GSSC flags any stipulations that may be conditions and also flag all non-standard agreements for follow-up by the UNDP Office.
	2. Key information entered into the Contract Management Module by the GSSC is as follows:

|  |
| --- |
| **Contract Management Module Information to be entered** |
| Overview | Includes all the general information relating to the agreement. |
| AccountingDistribution | This is the full chart of account information relating to the revenue and accounts receivable provided by the UNDP Office to GSSC. |
| Agreement date | ​Is the date that the agreement came into effect and is the key trigger that is set-up in the Contract Management Module for revenue recognition. These are dependent on type of agreements and interpretation of relevant IPSAS policy. |
|  Invoice Event | The invoice event includes the event type that need to be achieved to create the billing and generate Accounts Receivable entries in the General Ledger. |
| Revenue event | The revenue event will be created upon signing the relevant contribution agreement as revenue entries are generated upon signature of the contribution agreement. |
| Amendments | Amendments can be made to original contracts that have already been entered in the Contract Management Module using the amend function. |

# Negotiating and Signing Agreements

* 1. Each Country Office (CO) and Business Unit (BU) will negotiate and sign agreements with donors.

10.2 When agreements are negotiated, the following points should be noted:

1. All agreements should include a schedule of payments with specific dates and amount.
2. The UNDP bank account provided in the agreement should be the same currency as the contributions in the donor agreement (UNDP Office to contact the HQ Treasury for bank account information).
3. The agreement should indicate the UNDP reference that donors should quote when remitting funds to facilitate timely identification of the purpose of the funds. These references include operating unit, project name or code (if available), receipt number (e.g. 1st receipt, 2nd receipt, last receipt, etc.), and donor name. Donors should be requested to include this information in the remittance advice for easier identification of receipts in UNDP bank accounts. This information should be abbreviated to fall within the character limit imposed by banks for information provided in remittance advices.
4. Include donor references for donor reporting purposes. Where donors would like a donor reference indicated in the donor reports, they should include the reference in the donor agreement and then the information will be entered from the cover sheet by the GSSC into Quantum under “Contracts Overview for donor reporting purposes”. Donors should also provide an email address to be used by UNDP to submit Cash Receipt Vouchers (CRVs) upon receipt of funds. CRVs are submitted to donors as confirmation of the receipt of funds by UNDP.
5. COs/Business Units should request donors to send an email to GSSC (contributions@undp.org) upon remittance of contributions, notifying UNDP of the amount, remittance date, operating unit, project name or code (if available), receipt number (e.g. 1st receipt, 2nd receipt, last receipt, etc.) and donor name and donor reference.

# Upload of Agreements to UNITY/UNall

11.1 The signed agreement must be scanned and uploaded to UNITY/UNall by HQ or UNDP Office for submission to the GSSC **within a week of the agreement being signed**.

* 1. After a case created in UNall, GSSC will advise the respective program officer on donor code and fund code. The program officer will then set up project, award and budget in Quantum PPM on a timely basis. Note that this is not applicable to Open Trust Funds and Thematic Trust Funds, with the exception of any Cost Sharing and Country Window component, as revenue to these funds are recorded at the fund level and not at project level.
	2. An electronic cover sheet with the following information is to be updated together with the Award created:

|  |  |
| --- | --- |
| Business Unit | The respective Business Unit to which the agreement relates.  |
| Donor Reference | In certain cases, agreements may include a donor reference. If this does exist, it should be included in this field  |
| Currency  | This is the currency in which payments are to be made as stated in the schedule of payments in the agreement  |
| GMS Rate | Update the applicable GMS rate |
| Contract End Date | Include the date if included in the agreement  |
| Agreement Subject to Levy | To indicate if the agreement is subject to the Levy. If the Levy is applicable, the office should select the Levy Administer Option  |
| Chart of Accounts | Users should indicate the relevant Chart of Accounts information for each project that is included in the Agreement. |
| Schedule of payments:  | Users should allocate the schedule of payment to all projects based on the allocation agreed with the donor for the specific schedule of payment. Use the “Add” to add multiple payment tranches or multiple COAs. |
| Supporting Documents  | 1. There is an **Comments field** which can be used when users want to include some additional information or comments.
2. This is where the scanned PDF file project legal agreement or amendment should be uploaded. Please ensure that documents are clear and legible and include all pages of the signed agreement. Include any amendments that should accompany this agreement.

• For Government Cost Sharing Agreements: Please include only the Signed Page of the Project Document which contains the project information and the page that contains the schedule of payments/budgeted amounts. DO NOT include the entire Project Document. • Where possible, donor agreements should be saved in the following format: Example: Cost sharing agreement signed between Honduras and Denmark on 10 July 2011 (Format of file: HND\_DEN\_CS\_0711) (Government Cost Sharing =GSC; Trust Funds =TF; Third Party Cost Sharing =CS; Joint Programming =JP; Letter of Arrangements =LOA) * Users should provide Clearance from Legal Office for signing Non-Standard Financing Agreements.
* Users should provide OFM clearance for GMS rate below the minimum as per UNDP’s cost recovery policy.
 |
| Receipt information | Users should enter any receipt information as relevant (receipt id, screenshot of bank statement, etc.). |
| CC Users  | Input Secondary Contact if any. This Secondary focal person will receive notifications throughout the case processing (It is useful in absence of primary initiator). |
| Report submission/ Funds Transfer Request | Applicable for cases where funds are due to UNDP upon submission of a report (e.g. progress report) or fund transfer form to the donor. Users to include the date the report was submitted or fund requested. |
| Report Approval Request  | Applicable for cases where funds are due to UNDP upon approval of progress report by the donor. Users to indicate the date when report was approved by Donor. |
| Amendment Request | Amendments can be made to original contracts that have already been entered in the Contract Management Module. This is applicable when there is an amendment to a negotiated amount; schedule of payment or COA. |
| Deliverable | User should enter any deliverable relevant to the agreement. Quantum will send automatic notification throughout the timeline deliverable provided as reminder |

11.4 The following documents should be uploaded to UNITY/UNall:

1. Third party cost sharing agreements.
2. All agreements signed at COs and Business Units for the commitment of funds.
3. Relevant pages of the Project Documents for Government Cost Sharing.
4. Trust Fund agreements signed at HQ will be uploaded by HQ Business Units.
5. Trust fund agreements signed at COs should be uploaded by the CO.
6. Approved Project Document (ProDoc) and Steering Committee minutes, indicating the total allocation to UNDP, for funding from MPTF or where UNDP acts as a PUNO under Joint Programming.
7. Letters of agreements between UNDP and donors that are signed at country offices.

Common Service Agreements SHOULD NOT be uploaded to UNITY/ UNall

* 1. The majority of Trust Fund agreements are signed at HQ. These agreements should be submitted to the GSSC by Trust Fund managers via upload to UNITY/ UNall **within 1 week** of agreements being signed. When the Trust Fund Country Window or Cost Sharing agreements are signed locally, the CO should, **within 1 week** of the agreement being signed, upload the agreements into the UNITY/ UNall for the GSSC to advise donor code and fund code.
	2. After documents are uploaded to UNITY/UNall, all hardcopy agreements should be safely and centrally filed by the business unit or CO that signed the agreements.
	3. CO to set up project and award in Quantum PPM and submit for approval. CO then update the award number in the UNALL to inform GSSC of the award number. In Quantum PPM, contract and award share the same number.
	4. The GSSC will access contribution agreement information uploaded to the UNITY/ UNall and enter the information in the Quantum Contract Management Module. Only GSSC has access and the sole responsibility of entering contribution agreements into Contracts Management Module.
	5. The GSSC will record revenue in the General Ledger and create the Invoice number based on the events and conditions in each agreement. The revenue and invoice will be recorded in the currency as indicated in the agreement.

# Government Cost Sharing

12.1 For Government Cost Sharing, as agreements may not be necessarily signed, information will be updated based on the Project Document (ProDoc). The signature page of the Project Document will be uploaded to Unity/UNall with all necessary information required for Government Cost Sharing.

* 1. Government cost sharing revenue will only be recorded in the general ledger upon signature for donors with a consistent transfer history to UNDP, i.e. donors who normally transfer amounts pledged consistent with their commitments.
	2. For donors with a variable transfer history, i.e. not consistent in providing funds on time or amount transferred varies compared to the amount committed, revenue recognition will take place upon the transfer of cash. In these cases, the GSSC shall recognize the receipt contribution in the Contract Management Module when the cash is received.
	3. All receipts received for Government Cost Sharing should be communicated to the GSSC. Once the funds are identified as being received in the unapplied receipt account, the CO finance staff should enter the receipt information related to that specific agreement in the UNall as soon this has been identified or is available.
	4. The GSSC will then create the invoice number and record the revenue. The UNDP Office will be notified that the receipt information has been processed and the relevant AR against which the funds were applied.

# Application of Cash Receipts

13.1 Application of funds against ARs is handled by the GSSC for both receipts received in HQ and local offices’ bank account. The GSSC will review the unapplied receipts report and regularly check the unit’s email inbox to identify cash received that needs to be applied.

# HQ Bank Accounts

14.1 The GSSC will review the unapplied receipts report and check if adequate information is provided in the remittance advice to identify the funds receipt. It is the responsibility of the respective CO or Business Unit to communicate the receipt/s via Unity/ UNall. The respective CO or Business Unit should follow-up with the GSSC on whether the receipt/s has/ve been received. It is the responsibility of the relevant CO or Business Unit to upload all receipt information to the UNall even if funds are received at HQ. The GSSC will apply the funds against the accounts receivable.

* 1. If adequate information is not provided in the remittance advice identifying the funds receipted, the GSSC will liaise with programme and finance officers to confirm the intention of these funds and release the relevant invoice event.

# CO Bank Accounts

15.1 The CO finance units will review the unapplied receipts report (for CO bank accounts) and identify all receipts for those contracts entered with event type signature.

* 1. The CO finance units will complete a receipt confirmation sheet to be uploaded to UNall, to enable the GSSC to release the invoice event.
	2. The GSSC will apply the funds that are received in local bank accounts.
	3. The Receipt confirmation sheet will include the following information:

|  |  |
| --- | --- |
| Receipt information | Users should enter any receipt information as relevant (receipt number, screenshot of bank statement, etc.) |

# Foreign currency differences

16.1 In certain instances, payments may be received in currencies different from those specified in the signed agreement. When funds are being applied, this may result in a foreign exchange difference that generates under application. These differences should be adjusted using the invoice adjustment function by the GSSC and documenting the adjustment reason as write off

# Funds Received in Advance

17.1 In certain instances, donors may deposit funds prior to signing a formal agreement. This could be the case when funds are received in advance of the agreement being signed. The funds are recognized as revenue upon signature of the donor contribution agreement, consistent with the revenue recognition policy. Such funds must be recorded as “funds received in advance”. These funds are deposited in the bank account and credited to the funds received in advance account (General Ledger Account 24006) by GSSC. It is the responsibility of GSSC to monitor the “funds received in advance” account and subsequently to clear such funds against the accounts receivable created when the revenue is recognized.

17.2 The recording of funds received in advance is a year-end process conducted by GSSC to ensure revenue is not recognized before receipt of the signed agreement.

# Lump Sum Receipts

18.1 In the event that a donor has lumped together contributions relating to more than one agreement, the GSSC or CO finance staff will request that the project/trust fund manager or Partnerships Bureau contact the donor for a breakdown of the contribution. COs/Business Units should encourage donors to remit payments according to the signed agreements or to communicate details of the breakdown to the COs/Business Units where lump sum receipts are made.

18.2 The GSSC will apply the receipt against the relevant accounts receivable that have been generated for each of the contracts entered into the Contract Management Module.

# Agreements with Specific Conditions

19.1 Certain agreements may include a clause with a condition that must be fulfilled before an agreement can become binding or before revenue can be recognized. Such agreements may, in certain circumstances, include conditions requiring parliamentary approval or prior approval of reports (e.g. EU type agreements).

# 20. Parliamentary Approval

* 1. Agreements may include conditions relating to parliamentary approval. Some agreements (usually those with donor governments) include a clause that disbursements are subject to parliamentary/ government approval. While it may appear that this clause limits control of the asset since it is not certain that the agreement amount will be honoured, in UNDP’s experience, donor governments have a history of transferring agreed resources. The clause refers to the donor’s general annual process for its overall budget and is not specific to its particular commitment to UNDP. For the majority of cases, revenue asset recognition is appropriate.
	2. The exception to this is where the agreement expressly reflects the contribution as an intention by the donor to transfer resources subject to parliamentary approval but the actual commitment would be communicated formally to UNDP when parliamentary approval is granted. In this case, revenue recognition is deferred until the formal communication is received by UNDP.
	3. For cases requiring formal communication of parliamentary approval, GSSC will submit a report of pending parliamentary approval event regularly to UNDP Offices for follow-up with the respective donors.

# EU Agreements

* 1. As indicated above, revenue is recognized for the full value of the donor agreement at the time of signature, therefore, the final tranche of contributions from the EU is recognized as revenue before the final report to the EU has been submitted and approved.
	2. GSSC will enter the event date in the Contract Management Module for submission of the final report to the EU, using the estimated completion date (6 months after the end of the implementation period of the agreement) indicated by COs or Business Units.
	3. UNDP Offices will notify the GSSC of the final report approval received from the EU via UNITY/ UNall, and upload proof of the approved report AND the payment request. The uploaded documents should indicate the amounts that will be paid by the EU. The GSSC will then proceed to release the invoice event on the Contract Management Module.
	4. GSSC will follow-up with the UNDP Office on outstanding submission of final EU reports, as part of their periodic analysis of event status for EU Agreements.
	5. In the event that the final report has been rejected, the UNDP Office should enter this information in UNITY/ UNall, by uploading the communication from the EU, which will trigger an action to the GSSC and indicate where adjustments must be made in the Contract Management Module. UNDP Offices should consult the UNDP Brussels Office for these cases.
	6. The GSSC should review the request for final tranche as submitted by the UNDP office via UNITY/ UNall together with the final EU report and, in the event the final tranche is less than originally scheduled, the GSSC should amend the contract to reflect the correct revenue and accounts receivable amounts.
	7. After reports are uploaded to UNITY/UNall, all hardcopies or electronic copies of files should be stored and filed by the originating COs/Business Units.

# Interest refunded to the EU

* 1. There are instances relating to previous EU agreements, providing for interest to be refunded to the EU, where the EU deducts such interest from the final instalment. This provision is no longer included in most EU Agreements signed after IPSAS implementation.
1. The GSSC should be notified via UNITY/UNall when the final report has been approved, even though the revenue and accounts receivable are raised for the full amount of the agreement upon signature.
2. Once the UNDP Office is notified by the EU that the interest will be deducted from the final instalment, the programme officer should contact GSSC via email informing them that the deducted interest be credited back to the EU fund/project.
3. GSSC will liaise with OFM on the amount of interest eligible to be refunded to the EU.
4. When funds are deposited by the EU for the final instalment, GSSC will adjust the accounts receivable amount based on the interest refund using the write-off function in AR.
	1. Interest will be credited back to the project by GSSC using the EU donor code.

# Amendments to Agreements

* 1. In the case when an agreement has been amended with the approval of the donor (e.g. change of agreement amount, change of period), such amendment needs to be communicated to GSSC staff via UNITY/UNall **within 1 week**. The GSSC will then reflect these amendment(s) in the Contract Management Module. A copy of the amended agreement should be uploaded to UNITY/UNall for the GSSC to process the amendment. All hardcopies of amendments should be stored and centrally filed by business units.
	2. UNDP offices should update changes to UNITY/UNall to inform GSSC staff and provide relevant information on a timely basis on the following:
1. Amendments, including increase or decrease in contribution amounts
2. Reversals
3. Change of chart of accounts
4. Re-allocation of funds
5. Revision of schedule of payments
	1. Where there are changes, relevant amendment information should be provided to the GSSC, including the relevant supporting documents e.g. signed amendment/communication from the donor, entered/uploaded in UNITY/UNall. The addition of the details of the amendment will trigger a notification to the GSSC to process the update and, once completed, a notification to the requestor that the activity is complete.

# Small Donations

* 1. For small donations (i.e. under $100,000, with no signed agreements that do not have reporting requirements and are not related to a development project, amounts should be recorded in Miscellaneous Income (GL Account 55090), using Donor Code 000311 and be processed in the AR module through a Miscellaneous Receipt.
	2. Upon receipt and identification of the payment, GSSC will create a Miscellaneous Receipt which will be applied by crediting account the Miscellaneous Income account 55090 as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ACCT | FUND | OPER. UNIT  | DEPT | PC BU | PROJECT | Donor |
| 55090 | 00001 | CO or H17 | CO or 14404 | BLANK | BLANK | 000311 |

* 1. If small donations are received for a specific fund and project, these should be recorded against the following COA, using Donor Code 000311 and be processed in the AR module through a Miscellaneous Receipt :

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ACCT  | FUND  | OPER. UNIT  | DEPT  | PC BU  | PROJECT  | External Sponsor  |
| 51005  | XXXX  | CO  | CO  |  XXX  |  XXXX  | 000311  |

1. **Digital Goods Donations**
	1. For contributions mobilized via the Digital Goods Platform that is channelled through the United Nations Foundation, INC, (UNF) and the United Nations Fund for International Partnerships (UNFIP), a project document is to be signed between BERA and UNFIP for each receipt received. These contributions will be recorded in Contract Management Module against fund 57000/donor 012910 (digital goods). For the portion with specific purposes, there will specific project ID attached. For the portion that belongs to CORE as indicated by BERA, project ID will be blank, as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Amount | Account | Oper Unit | Fund | Cost Centre | Project | External Sponsor |
| XXXX | 51005 | H23 | 57000 | xx | BLANK | 012910 (digital goods) |
| XXXX | 51005 | HTI | 57000 | 50803 | xx | 012910 (digital goods) |
| XXXX | 51005 | H70 | 57000 | 29207 | xx | 012910 (digital goods) |

* 1. Once the receipt is applied, GSSC will raise a Journal to move the core portion from fund 57000 to the right fund 00001/donor 012910. The reason for doing so is because all contributions from UNF/UNFIP need to have a record/trail in fund 57000 so that BERA colleagues can report back to UNF/UNFIP on annual basis. The example of the Journal follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Account | Oper Unit | Fund | Cost Centre | Project | External Sponsor |
| DR | 51005 | H23 | 57000 | xx | BLANK | 012910 (digital goods)  |
| CR | 51005 | H17 | 00001 | 14404 | BLANK | 012910 (digital goods)  |

* 1. For donations received via the digital goods platform that are not channelled through UNF/UNFIP but receipted directly to UNDP’s bank account, with no ProDoc or signed document and where no reporting needed, BERA or COs shall submit the contribution receipt details and COA information via UNall. GSSC will record this type of donations via Contract Management Module against the COA as follows and update the GMS, if applicable.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Account | Oper Unit | Fund | Cost Centre | Project | Tasks | External Sponsor |
| 51005 | XXX | 30075 | xx | xx | BLANK | 012910 (digital goods)  |

# For Disaster Relief funds

* 1. Guidance and procedures are communicated by OFA. Usually, a fund code and donor code are set up and used in the COA Distribution to record either staff donations/individual donations. Country Offices should contact the Treasurer for guidance where disaster relief funds are mobilized.
	2. For larger contributions from donors, agreements are negotiated through CRU.

# Monitoring of Pending and Past Due Events

* 1. UNDP Offices have access to the Quantum report of contracts with Pending and Past Due Events and should regularly review this report and proactively follow up with donors on events with expired due dates. GSSC will also access the Report of Contracts with Pending and Past Due Events to review these events for which the due dates have expired and, where an issue is identified, will notify the respective UNDP Office.
	2. These common types of outstanding events will include the following:
1. Issuance and approval of progress and final reports e.g. EU reports
2. Parliamentary approval (where formal confirmation by the donor is required)
3. **Accounts receivable and unapplied receipts**
	1. UNDP Offices perform the following tasks on a regular basis:
* Follow up on outstanding contributions receivable;
* Follow up on past due events;
* Clean-up unapplied receipts;
	1. GSSC regularly monitors unapplied receipts, past due events and open accounts receivable.
	2. Billed accounts receivable are those receivables where the payment event is reached and payment is due from the donor, whereas unbilled or future accounts receivable includes receivables where payment is not yet due from the donor.

# Periodic Closing Requirements

* 1. It is important that UNDP Offices promptly submit all required documents to GSSC via UNITY/ UNall by the deadlines indicated in the Financial Closure Instructions (i.e. all signed contribution agreements or completion of events) to ensure that revenue and accounts receivable are accurately recorded in a timely manner in UNDP’s financial statements. The UNall will ensure that any notification is logged and timely action taken by the GSSC.
	2. At year-end, UNDP Offices should review the report of contracts with pending events and, if an issue is identified, communicate to the GSSC via the UNall any events that have been completed.

# Important year-end steps

* 1. Completeness of agreements – all agreements and amendments to agreements should be uploaded to UNITY/UNall.
	2. Review of past due events – follow-up on events that should have been completed by year-end e.g. submission and approval of progress/final reports.
	3. Accounts receivable – follow-up with donors on outstanding amounts (see [POPP content on Accounts Receivable](https://popp.undp.org/policy-page/accounts-receivable)).
	4. Unapplied receipts – ensure timely application of all unapplied receipts at year-end.
	5. Funds received in advance – review funds received in advance account and verify accuracy and completeness.
	6. Reports should be generated and signed as evidence of review.

# Reconciliation of Accounts Receivable to the General Ledger

* 1. On a quarterly basis, GSSC will perform a reconciliation of the Accounts Receivable sub-module to the General Ledger and follow-up on differences with COs, Business Units where necessary.

# Annex 1 - ICF Roles

|  |  |
| --- | --- |
| **Procedure Step** | **Responsible Party** |
| Sign Contribution Agreements | Head of Office |
| Entry into UNITY/UNall  | UNDP office staff assigned by the head of Office/Unit |
| Review and follow-up of accounts receivable  | First authority (Project Manager) |
| Sign off as evidence of review of accounts receivable  | Approving Manager or Program Manager  |
| Recommend write-off or doubtful debts provision with the appropriate justification  | Head of Office  |
| Approve provision for write-off[[1]](#footnote-2)  | Chief of FPMR/OFM |
| Approve write-off  | Assistant Administrator BMS or Administrator based on thresholds established in the UNDP FR&Rs. Write-off request is routed through to OFM/FPMR/CFRA and the CFO |
| Monitor unapplied receipts | GSSC Treasury and Deposits (GSSC Finance Function) |
| Entry into Contract Management Module and activate contract | Revenue Specialist (GSSC Finance Function) |
| Review contract in Contract Management Module | GSSC Manager (GSSC Approving Manager)  |
| Record receipt of Contributions | GSSC Treasury and GSSC Deposits (GSSC Finance Function)Record the receipt of contributions against the invoice number, provided that the following documents are available:- Notification of receipt into UNDP bank account from the bank; or- Receipt of a cheque. |
| Application of funds  | Revenue Specialist (GSSC Finance Function) |
| Approval of invoice adjustment  | GSSC Manager (GSSC Approving Manager)  |

**Annex 2 - Revenue Management Process**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Revenue Management Process | CO/BUProgramme | RR/BUApproval | LO/BMS | BU/COFinance | GSSCRev Specialist | GSSCManager |
| Negotiate agreements/amendments | √ | √ |   |   |   |   |
| Clear non-standard agreements/amendments |   |   | √ |   |   |   |
| Sign all agreements/amendments |   | √ |   |   |   |   |
| Set up and finalize project budget | √ |   |   | √ |   |   |
| Upload signed agreements/amendments within 1 week |   |   |   | √ |   |   |
| Enter Agreements/ Process Amendments in Contract Management Module & activate contract |   |   |   |   | √ |   |
| Review contract and notify BUs of contract activation |  |  |  |  |  | √  |
| Record Contributions Received in Bank Acct. |   |   |   |   | √ |   |
| Create and release Event (Generate GL Entries) |   |   |   |   | √  | √ |
| Apply Cash using AR Report to Identify Invoice number |   |   |   |   | √  |   |
| Review Report on Outstanding Receivables | √ |   |   | √ | √ |   |
| Review Report on Pending/Past Due Event | √ |   |   | √ | √ |   |
| Follow Up with Donor on Outstanding Payments | √ |   |   |   |   |   |
| Follow Up with Donor on Pending/Past Due Events | √ |   |   |   |   |   |
| Access Reports on Financially Closed Projects |   |   |   |   | √ |   |
| Close Agreements in Contract Management Module |   |   |   |   |   | √ |
| Review Aging of Receivables |   |   |   | √ | √  |   |
| Communicate to OFM on Outstanding AR for Doubtful Debt Provision and Write-offs | √ | √ |   | √ | √ |   |
| Review and Approve Provisions and Write-offs Submission |   |   |   |   | √ |   |
| Reconcile GL to AR and Balance Accounts |   |   |   |   | √ |   |

# Annex 3 - Reports

Report of contracts

1. Listing of all contracts created, status and overview per operating unit
2. Report of amended contracts
3. Listing of all amendments related to a contract
4. Report of contracts with pending events
5. Monitoring of events with past due events
6. Monitoring of upcoming events (within 45 days)
7. Customer contract overview report- Overview of contracts and amendments
8. Report of unapplied receipts

# Global Shared Service Centre (GSSC)

The GSSC performs certain recording functions on behalf of UNDP in the areas of Expenses, Revenue and Asset Management. It provides support on complex IPSAS functions, as well as partial support on some IPSAS functions being performed by the COs directly. These POPP Guidelines clearly state when a Procedure or part of a Procedure should be carried out by the GSSC and cover the respective roles and responsibilities. Users in COs or at Headquarters will not be able to carry out these procedures themselves on Quantum and should utilize UNITY/UNall to request the service of the GSSC.

# UNITY/UNall

All requests for Procedures to be carried out by the GSSC must be made via UNITY/UNall. Users can access UNITY/UNall via <https://undp.lightning.force.com/lightning/page/home> and <https://undp.service-now.com/unall> Clear instructions are provided for navigation and users will find a list of Procedures, as shown in the table above, from which they can select. Once a Procedure is selected, users can navigate to a form where they provide the details of their request and to which they must attach the required documents. Following submission of the form(s), a workflow will be triggered to generate a case ID and notify the GSSC.

# UNDP Revenue Recognition policy paper

* [IPSAS 23 Policy paper](https://popp.undp.org/node/2931)
1. This role is not included in the ICF but included in this table as it is considered a necessary step. [↑](#footnote-ref-2)