**Handling of Cash and Receipts Treasury**

# 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).

1. Offices may provide regional bureau and OFM by 31 December the prospects for collection in the following year.

# Government in-kind contribution towards local office costs

1. 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

1. Non-Quantum UN Agencies should pay in advance for services rendered by UNDP offices. The Treasury Division in Headquarters and GSSC liaise with the UN Agencies to ensure that sufficient funds are deposited by each agency.
2. Offices can receive payments locally directly from the agencies up to amount specified under the policy for [Management of Cash Planning/Forecasting of Cash Flows](https://popp.undp.org/node/3056) without prior authorization from Treasury, provided such receipts will not create or add to an accumulation of non-convertible or convertible bank balances. The funds would be credited to the Agency Service Account as explained in POPP section on [Service Clearing Account (SCA)](https://popp.undp.org/node/11541) or to the common/shared services project/activity as explained in POPP section on [Common Services Project Management](https://popp.undp.org/node/10521) if the fund received was against the common/shared services. Offices can receive in USD/EUR into their respective ZBA accounts irrespective of the size of amount without prior authorization from the Treasury. This provision is not applicable to receiving the funds on behalf of agencies from a donor or the government locally. All such cases must be referred to Treasury for prior approval and guidance.

# Control of Receipts

1. 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 and the Head of Finance in country offices should review the daily cash collection report supported by Quantum 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"
2. All receipts must be deposited intact. No expenditures may be made or cheques cashed from cash receipts. Authorized modes of payments

1. 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.

1. 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
2. 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.

1. Deposits to the bank, as well as checks received directly for UNDP, must be reviewed, approved and recorded in the Quantum Receivables module immediately, within a maximum of 24 hours. As a minimum, information recorded in Quantum 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

1. 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.

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

1. 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.