

ANNEX 1 - General responsibilities of UNDP as a service provider to UN Agencies

A number of Memoranda of Understanding between UNDP and UN agencies regulate the general principles of the provision of UNDP services to these agencies. There are two categories of services provided on a cost recovery or reimbursement basis, namely:

- Standard transactional services identified in the Universal Price List (UPL).
- Non-standard *ad-hoc* services (not included in the UPL) costed locally based on local hour rates. The service fee for any non-standard services is be negotiated on an ad-hoc basis between each concerned UNDP country Office and the service recipient agency.

Both services are charged through the Billing Module in Atlas or a special-purpose cost recovery project set up in Atlas to recover costs from non-Atlas agencies where the use of the billing module is not viable (voucher-based services to non-Atlas agencies)

In this context, below are the general responsibilities of UNDP in the service provision and fee collection cycle:

- **Maintain service request records.** Offices are to ensure that all service providing units within the country office maintain accurate records service requests by agencies for reference purposes at the time of billing and in order to avoid disputes over the volume of services being provided to agencies; to facilitate this process, OMs may want to encourage the use of simple service record sheets to be kept for future reference and for the purpose of billing transparency.
- **Establish a billing period and observe it consistently.** In average, a quarterly billing period seems appropriate to deal with the volume of services UNDP provides. Local measures may vary, and OMs are encouraged to establish and observe billing periods that best fit local conditions and communicate effectively the duration of billing periods to service recipients/partner agencies.
- **Leverage billing functionality effectively.** If the recovery occurs through the billing module, at the beginning of each billing period the office is to ensure that a 'NEW'-status bill is created so that item lines can be entered and referenced by users in the service providing units. Over the course of the billing cycle, service providing units are encouraged to readily enter bill item lines and properly reference each line by providing a reference number to the relevant voucher and/or otherwise briefly provide background information for the benefit of the client. Before the close of each billing period ensure that the invoice in question is reviewed by the recipient so as to minimize disputes. When finalizing bills, ensure

that utmost care is paid to the review process to reduce the possibility of staging and/or budget check errors that would cause the finalized bill not to be picked up by the relevant batch process.

- **Leverage Atlas reporting functionalities and communicate with Agency client.** Communicate effectively with Agency partner and illustrate the use of relevant queries in the system that show the number of transactions carried out by a specific unit on behalf of a given client. Again, in this context ensure that all relevant reference fields are filled to make it easy for recipient to track transactions.
- **Prevent charges disputes.** At end of each billing cycle, offices are recommended to notify partners that the ‘NEW’-status bill is ready to be finalized and processed (‘RDY’-status). In turn, partners are to review the bill within a specified time period (e.g. 3 days) and raise and objections/questions with UNDP. It is the responsibility of both the service provider and the service recipient to review effectively the items in question and solve promptly any disputes. Please note that unresolved service issues should be escalated to Headquarters level for resolution only after several (i.e. at least three) documented attempts to solve them have been undertaken at the Country Office level.

ANNEX 2 – Recommended billing workflow for UNFPA

In line with the general responsibilities listed in Annex 1, it is important to adhere consistently to a specific workflow to ensure a standardized approach to service provision and fee collection. The recommended workflow is contained in table 2A below, and a graphic rendition in table 2B. The workflow has been developed together with UNFPA and specifically on their request. It may also apply to other agencies as well, if appropriate.

Table 2A – Service provision and billing workflow – UNFPA

Step	Description	UNDP's input	UNFPA's input	Remarks
1	Billing period is established (e.g. quarterly)	At the beginning of each period UNDP creates 'NEW' bill onto which services will be recorded over the billing period	n/a	
2	Request for service is sent to UNDP	UNDP logs service requests and checks that COA is available	Service request in writing along with relevant COA details	Offices should develop standard service request forms
3	Service provision	Provides services		Ensure due consideration to quality issues, timeliness, etc
4	Service provision recorded in bill	UNDP adds a line to the new bill and DULY references the relevant fields		Proper referencing (PO/Voucher number, name of traveler, etc) key requirement of efficient billing
5	Step 4 repeated as many times as necessary throughout the duration of the billing period			
6	Billing cycle ends	UNDP reviews pending bill and notifies UNFPA that bill is ready for review	UNFPA reviews bill (UN_BI_CRE_COA query) within agreed timeframe, e.g. 3 working days and communicates with UNDP accordingly	Refer to Annex 3 on reporting
7	Exception review	UNDP reviews exceptions raised by UNFPA, researches and provides clarification/corrects erroneous charges as relevant	UNFPA reviews amended bill in a timely manner	
8	Billing process runs	Sets bill to RDY		
9	Failed bills	UNDP determines reason for bill failure and contacts UNFPA where necessary (e.g. erroneous COA, insufficient budget, etc)	UNFPA provides information as necessary	Unresolved issues should only escalate to HQ level only after three documented attempts to solve these have been undertaken locally by UNDP and partner,

Stemming from this workflow, here are the key elements of the process that both the service provider and service recipients must observe:

1. Accuracy of data entry

UNDP office is required to pay utmost care when entering bill information in order to minimize the occurrence of clerical errors. In particular, based on the 2005 experience, the following fields in the billing module are prone to clerical errors:

- PO Reference - This is now a required free-form field and must be duly filled by users accurately with meaningful UNFPA reference codes.
- Operating Unit - this is not a required field for UNFPA, therefore should always be blank.
- Fund – This must always be the fund code of the relevant agency, in this case a UNFPA fund code.
- Project - Must always be a UNFPA project ID which follows the old naming convention of 'CTY/YY/XXX'
- Implementing Agency.

2. Acceptance of charges

The UNFPA office is requested to print the relevant query, review it “line by line” together with the supporting documentation. If any lines are not agreed to, these should be marked on the hard copy and submitted to UNDP country office along with the supporting documentation with a request to clarify the issues raised and reverse the charges, if applicable. In all other cases, if no written notification is provided by UNFPA within 3 days of the date in which UNDP, it is understood that charges and liabilities are accepted. In such cases, UNDP will change the status of invoices from “NEW” to “READY”.

3. Accountability

UNFPA: country offices are required to periodically review, analyze the expenditure report and verify whether charges recorded are relevant to services provided by the UNDP and prices applied are in accordance with the UPL or any existing local services agreement. UNFPA country offices are also responsible for identifying transactions with erroneous COAs and bringing them to the attention of UNDP counterparts. In the case of the UNFPA office’s failure to identify transactions with erroneous COAs or incorrect prices, the UNFPA office will be issued an official notification from the UNFPA Headquarters. This will affect HQ’s assessment of the country office performance with respect to the resource management.

UNDP country offices are responsible for applying correct charges (per UPL or otherwise locally stipulated) and filling the relevant fields in the bill so as to allow tracking of the transaction by agency partner (see Annex 3). UNDP offices are also expected to allow UNFPA COs to dispute charges, provided these are supported by factual evidence.

4. Service Level Agreement (SLA)

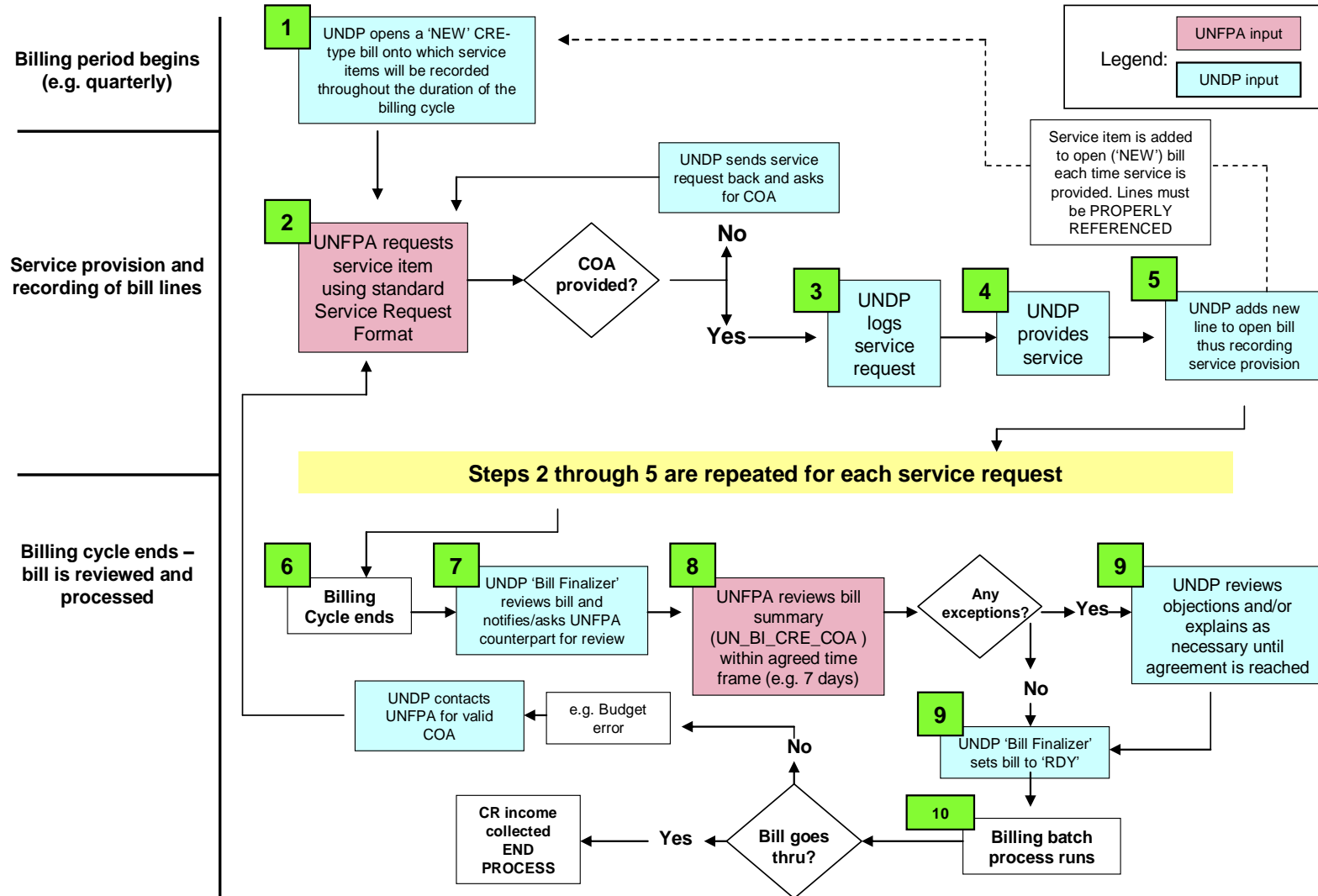
UNDP and the UNFPA local offices are encouraged to develop a local service level agreement (SLA). This should include: a) expected results with respect to the quality and timeliness of services provided by UNDP; b) measurable key performance indicators (KPIs) to measure the above; c) inputs required by the client agency for the provision of the service; d) terms and conditions for the local settlement of charges disputed by the client. Upon finalization of the SLA, i.e. after signature by both parties, one copy each should be provided to both UNDP and UNFPA Headquarters for reference. UNDP and UNFPA HQ will be piloting a local SLA shortly and we will share the results with respective country offices to facilitate this process.

5. Settlement of disputes

In the case of disputed charges, these are to be settled at the local level based on the Memorandum of Understanding (MoU) on CO services, the UPL in vigor and the SLA (where available). Only when a settlement cannot be achieved locally, are UNDP and UNFPA Headquarters to be addressed, in accordance with the above-mentioned MoU.

ANNEX 2B – Recommended workflow – UNFPA sample

Sample 'CRE' Billing Workflow for UNFPA



ANNEX 3 – Communication with Agency partner for the purpose of reviewing bills – The UN_BI_CRE_COA and UN_BI_CRN_COA queries

There exist several queries in Atlas to assist both service provider and recipients to review efficiently the services rendered and the associated costs. As part of UNDP’s overall service responsibility and in line with our philosophy of transparency, these reports must be shared with clients, consistent with the provisions contained in the Memorandum of Understanding for local services.

The single most useful Atlas query is [UN BI CRE COA](#) (for Atlas agencies) and [UN_BI_CRN_COA](#) for non-Atlas agencies. These queries provide an itemized summary of service transactions rendered over a given billing period. The following navigation provides access to:

UN_BI_CRE_COA - CRE Bills COA by Billing BU

BI Business Unit:

Invoice:

Atlas Agency:

Bill Status:

Project:

[View Results](#)

Download results in : [Excel Spreadsheet](#) [CSV Text File](#) (5 kb)

View All First Last

	Business Unit	Invoice	Bill Type	Bill To	To Unit	Acctg Date	Bill Status	Pre-load Ind	Line Seq	Descr	PO Ref	Rev Seq	Currency	Net Amount	Account	DeptID	Oper Unit	Fund	Project	Impl Agent	Donor
1	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	1	Staff Recruitment: Selection	STAFF RECRUITMENT - SELECTION	1	USD	103.500	73505	50700	FPA50				
2	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	2	Staff Recruitment: Contract	STAFF CONTRACTING - NIKICA	1	USD	55.500	73505	50700	FPA50				
3	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	3	Consultant Recruitment	SSA CONTRACTS	1	USD	76.800	73505	50700	FPA50				
4	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	4	Visa Requests	VISA REQUESTS	1	USD	285.000	73505	50700	FPA50				
5	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	5	Ticket Request	TICKET REQUEST	1	USD	35.000	73505	50700	FPA50				
6	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	6	Travel Authorization	TRAVEL AUTHORIZATION	1	USD	60.900	73505	50700	FPA50				
7	BIH10	05421	CRE	10037	UNFPA		NEW	Pending	7	F10 Settlement	F10 SETTLEMENT	1	USD	101.200	73505	50700	FPA50				

How to interpret the [UN BI CRE COA](#) query

1. The report will include the following fields:
 - a. Business unit: UNDP business UNIT10 (e.g. ARM10)
 - b. Invoice No: Billing invoice number
 - c. Bill to: This field will be populated by the value “10037” for UNFPA
 - d. Acctg Date: The date the billing invoice is created. UNDP staff is requested to ensure that this field is populated for each transaction.
 - e. Bill Status: This field is populated with the value “New” when the bill has not yet been processed for payment nor been charged to UNFPA resources.
 - f. Preload: This field is populated by the value “Pending”. Once the status of the bill is changed to “INV” the value will change to “Done”.
 - g. Line: this field will be populated by the number of lines included in the invoice.
 - h. Descr: This field reflects the description of the transaction. This field being open text, in order to increase the transparency of the bill and minimize disputes, the description should include 1) description of service provided, 2) number of times the service was provided. and 3) the cost of service as reflected either in the UPL or local service agreement. For example, if the service is for “interviewing” under staff selection and recruitment process, it should be described as “Staff selection and recruitment process – Interviewing – 2 cases x \$36.01. It is important that – if only a portion of the service is purchased (for instance “issue checks” for “payments”), only the applicable price for that component within the service be applied.
 - i. PO Ref: Any available additional information should be reflected in this field.
 - j. Net Amount: The amount reflected here should tally the amount reflected in the “Descr” field. (for example, Issue check only – in the case of 11 checks at \$1.76 each – the amount reflected here should be \$19.36).
 - k. Account: This field should be populated with the respective ATLAS account number based on the type of service provided.
 - l. DeptID: This field should be populated with the UNFPA country office’s department ID.
 - m. Oper: UNDP colleagues must ensure that in the case of UNFPA no value is entered in this field.
 - n. Fund: Only “FPA50” or “FPA90” should be reflected in this field for UNFPA charges. UNDP colleagues should note that – in the

case of UNFPA BSB transactions (i.e. FPA50) - only three fields (Account, DeptID and Fund) are populated with values.

- o. Project: Please ensure only applicable UNFPA project codes are entered.
- p. Impl Agent: with respect to UNFPA Implementing Agent value should be applied only for fund code "FPA90".
- q. Donor: as the UNFPA does not use "Donor", UNDP colleagues, must ensure that no value is entered in this field.
- r. UNDP user: (Billing specialist ID and email address).