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Members of the Staff of the United Nations

Subject: FINANCIAL RULES

ST/AFS/SGB/91 and Corrigendum 1 thereof are superseded by the revised Financial Rules attached.

Revised text is indicated by underlining and deletions by asterisks.

(Signed) Dag Hammarskjöld
DAG HAMMARSKJÖLD
Secretary-General

* The use of the element AFS in the symbols of this series has been discontinued.

FINANCIAL RULES OF THE UNITED NATIONS

ARTICLE I - AUTHORITY, APPLICABILITY, AND DEFINITIONS

101.1 These rules are established in accordance with the provisions of Financial Regulation 10.1 (a). They shall govern the administration of all financial activities of the United Nations, except as may be otherwise provided by the General Assembly, or specifically exempted therefrom by the Secretary-General.

101.2 For the purpose of these rules:

(a) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions.

(b) "Director of Finance" shall mean the Director, Bureau of Finance or his authorized delegate.

101.3 The financial year is the period 1 January through 31 December.

ARTICLE 2 - ESTIMATES AND APPROPRIATIONS

102.1 The estimates, both for expenditures and miscellaneous income, shall be prepared on a gross basis.

102.2 By the first of April of each year, estimates for the following financial year shall be submitted to the Bureau of Finance by each Assistant Secretary-General with regard to all activities in respect of which his Department is responsible; the estimates for the United Nations Office at Geneva shall be submitted through the Director of that Office.

102.3 The estimates shall be supported by such explanations and justifications as the Director of Finance may require.

102.4 The estimates shall be examined by the Director of Finance. In the light of his recommendations, the Secretary-General will decide as to the estimates to be submitted to the General Assembly.

102.5 The final annual estimates shall be divided into parts, sections, and chapters, and shall be presented in US dollars. The estimates shall be accompanied by:

- (a) A detailed statement of the estimated expenditure provided for under each chapter and each item (article) of a chapter;
- (b) A statement of the estimated miscellaneous or other income under appropriate headings;
- (c) An explanatory statement with regard to the expenditures proposed in connexion with any new activity or any extension of an existing activity;
- (d) A statement of the estimated expenses of the current financial year, and the expenses of the last completed financial year;
- (e) An information annex containing a statement of expenses for the current financial year covering a period of not less than six months;
- (f) An information annex containing a list of personnel indicating names, functions, nationalities and levels of officials of the Secretariat by sections and services;
- (g) An information annex containing appropriate summaries of the budgets or proposed budgets of the specialized agencies; and
- (h) Such additional summaries, statements, or annexes as may be required.

102.6 The Director of Finance shall arrange for completion of the annual estimates and for their submission to the Advisory Committee at least twelve weeks prior to the opening of the regular annual session of the General Assembly, and shall arrange for transmittal of the estimates to Members at least five weeks prior to the opening of the regular annual session of the General Assembly.

102.7 Supplementary estimates shall be prepared in a form consistent with the annual estimates when and as required by the Director of Finance, and shall be submitted for examination to the Advisory Committee.

102.8 (a) The appropriations voted by the General Assembly constitute an authorization to the Secretary-General to incur obligations and make expenditures for the purposes for which the appropriations were voted, and up to the amounts so voted.

- (b) The appropriations are available for obligation during the financial year to which they relate.

- (c) The appropriations remain available for twelve months following the end of the financial year to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial year and to liquidate any other legal obligation of the year. The balance of the appropriation shall be surrendered.
- (d) At the end of the twelve-month period referred to in paragraph (c) above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated prior year obligations will at that time be cancelled, or where the obligation remains a valid charge, transferred as an obligation against current appropriations.

102.9 No transfer between appropriation sections may be made without authorization by the General Assembly.

102.10 Outstanding obligations retained against appropriations of a previous financial year in accordance with Rule 102.8 (c) shall be reviewed periodically. Obligations reflected in the accounts which, in the opinion of the Director of Finance are no longer valid obligations, shall be cancelled from the accounts forthwith, and the resulting credit surrendered in accordance with the Financial Regulations.

ARTICLE 3 - ISSUE, WITHDRAWAL AND TRANSFER OF ALLOTMENTS

- 103.1 (a) The appropriations shall be made available to Departments by allotments. The Director of Finance shall ensure that allotments remain at all times within the budgetary limitations.
- (b) The Director of Finance shall notify Departments in writing of allotments made to them.
- 103.2 (a) Unobligated balances of allotments may be decreased or withdrawn by the Director of Finance. All such adjustments shall be notified to Departments in writing.
- (b) No transfer between allotments shall be made by any Department except with the prior written authorization of the Director of Finance.

ARTICLE 4 - ADMINISTRATION OF ALLOTMENTS

- 104.1 Obligations and expenditures shall be ordered or authorized by a Department only for the purposes for which the allotments have been made, and subject to such regulations, rules and instructions as may be applicable.
- 104.2 No Department shall order or authorize the incurring of obligations or expenditures exceeding the amount of allotments made available to it for such obligations and expenditures.

- 104.3 One or more officers of senior status shall be appointed as Certifying Officers for each Department by the Director of Finance on the nomination of the Assistant Secretary-General of the Department concerned. Specific accounts shall be assigned to the responsibility of each such officer appointed. Alternates may be appointed in the same manner to act in the absence of the Certifying Officer.
- 104.4 A Certifying Officer shall be responsible for certifying for the Departments and in respect of accounts assigned to him, that every obligation or expenditure proposed by the Department:
- (a) is in accord with existing regulations, rules and instructions;
 - (b) can be met from the available balance in the appropriate allotment made to the department, and
 - (c) is reasonable and in accord with the purposes for which the appropriation was voted and allotment was made.
- 104.5
- (a) The Department concerned is responsible for the submission to the Bureau of Finance of the appropriate documents in support of proposed obligations and expenditures.
 - (b) The Director of Finance may, on adequate grounds, disallow any proposal for an obligation or expenditure.
 - (c) Departments shall submit to the Director of Finance such explanations and justifications as he may require.
 - (d) Where, in the opinion of the Director of Finance, there is any serious irregularity involved in any obligation or expenditure, he shall refer the matter to the Secretary-General.
- 104.6 No contract, agreement, or undertaking of any nature for an amount exceeding \$500 shall be entered into until credits have been reserved in the accounts by the Director of Finance to meet any expenditures which may accrue in the financial year.
- 104.7
- (a) The Director of Finance may approve commitments against future financial years, when they are necessary in the interests of the United Nations. Such commitments shall normally be restricted to administrative requirements of a continuing nature, such as lease of premises or equipment, or forward ordering of supplies and equipment.
 - (b) The Director of Finance shall maintain a memorandum record of all such commitments, which shall constitute a first charge against the relevant appropriations as these are made available.

- 104.8 All increases in obligations shall be subject to the same rules as apply to the ordering, authorizing or incurring of original obligations.
- 104.9 When any obligation previously recorded is for any reason decreased (other than by the normal process of payment) or cancelled, the Director of Finance shall be immediately informed in writing, and the accounts shall be adjusted.
- 104.10 Central supplies, equipment and other property shall be issued, and central services provided, only against requisitions or orders signed by officers designated by the Departments for that purpose.

ARTICLE 5 - CONTRACTS AND PURCHASES

- 105.1 Contracts for the purchase of services, supplies, equipment or other requirements shall be entered into for or on behalf of the United Nations only by duly authorized purchasing officers.
- 105.2 The Committee on Contracts shall review and advise upon all contracts involving commitments of \$5000 or more.
- 105.3 Except as provided in Rule 105.4, contracts for supplies, equipment and other requirements shall be let after competitive bidding, and tenders shall be invited by advertisement.
- 105.4 (a) Contracts may be awarded without advertising:
- (i) when the proposed contract involves commitments of less than \$1000;
 - (ii) when the exigency of the service does not permit the delay attendant upon advertising.
- (b) Contracts may be awarded without advertising or competitive bidding:
- (i) when the proposed contract involves commitments of less than \$100;
 - (ii) when the prices or rates are fixed pursuant to legislation or by regulatory bodies;
 - (iii) when the Director, Purchase and Transportation Division, on advice of the Committee on Contracts, has approved a standardization of equipment or supplies requiring procurement from one service;
 - (iv) when the exigency of the service does not permit the delay attendant upon the issue of invitations to bid;

- (v) for proprietary articles, perishable supplies or other supplies or services where similar conditions exist, when the Director, Purchase and Transportation Division, determines that it is not practical to obtain competition; provided that the concurrence of the Committee on Contracts is obtained for cases involving commitments of \$5000 or more;
- (vi) when the proposed contract relates to professional services, medicines, medical supplies, hospital or surgical supplies or prosthetic appliances;
- (vii) when the Assistant Secretary-General for Conference and General Services, on advice of the Committee on Contracts, determines that competitive bidding does not give satisfactory results.
- 105.5 All bids shall be publicly opened at the time and place specified in the invitation to bid.
- 105.6 Contracts shall be awarded to the lowest acceptable bidder, provided that where the interests of the United Nations so require, all bids may be rejected.
- 105.7 Purchases amounting to \$25.00 or more shall be effected by written contracts or written purchase orders specifying in detail:
- (i) in the case of goods - the exact description of the goods, the quantity required, the price of each article, the conditions of delivery and the terms of payment;
 - (ii) in the case of services other than those of staff members - the nature of the services, period covered, conditions of fulfilment, the amount and terms of payment.
- 105.8 Except where normal commercial practice or the interest of the United Nations so requires, no contract or purchase order shall be made on behalf of the United Nations which requires payment in advance of the delivery of goods or performance of contractual services.
- 105.9 Each determination or decision required of an authorized purchasing officer by the provisions of these rules shall be supported by the written findings of such officer, whose findings shall be placed in the appropriate case file maintained by the responsible Division or Department; and in cases of \$1000 or more, shall also accompany the related obligating documents submitted to the Bureau of Finance.
- 105.10 Contracts for staff shall be governed by the terms, conditions and procedures provided by the Staff Rules, and such manning table or other budgetary controls as may be established.

ARTICLE 6 - PUBLICATIONS BOARD

- 106.1 (a) The Publications Board shall consider and advise upon all printing and publication activities.
- (b) Each Department shall be responsible for adherence to the policies and regulations promulgated by the Publications Board.

ARTICLE 7 - UNFORESEEN AND EXTRAORDINARY EXPENSES

- 107.1 The Financial Rules relating to operations under the budget appropriations shall be deemed to govern, to the extent applicable, credits made available under the General Assembly resolutions relating to unforeseen and extraordinary expenses.
- 107.2 Allotments under the authority of the resolution relating to unforeseen and extraordinary expenses shall be issued by the Director of Finance personally or in his absence by such other officer as may be specifically designated by the Secretary-General.
- 107.3 The Director of Finance shall take such measures as may be required:
- (a) to ensure that the Advisory Committee is kept currently informed on the status of all commitments under the resolution relating to unforeseen and extraordinary expenses;
- (b) to provide for the submission of a report thereon to the next regular session of the General Assembly, together with supplementary estimates in connexion therewith.
- 107.4 It shall be the responsibility of the substantive Department concerned in consultation with the Bureau of Finance to arrange that each resolution before a Council, Commission or similar body involving expenditure shall be accompanied by a report on the administrative and financial implications of the proposal and an estimate of the costs involved.

ARTICLE 8 - THE WORKING CAPITAL FUND

- 108.1 Advances from the Working Capital Fund for the purposes and within the terms and conditions prescribed by the General Assembly shall be made only on the basis of a written authorization signed by the Director of Finance personally in each case or in his absence by such other officer as may be specifically designated by the Secretary-General, except:
- (a) Such advances as may be necessary to finance budgetary appropriations pending the receipt of contributions. Sums so advanced shall be reimbursed to the Working Capital Fund as soon as and to the extent that income is available for the purpose.

- (b) Such advances as may be necessary to finance commitments under resolutions relating to unforeseen and extraordinary expenses, duly approved in accordance with the provisions of Rule 107.2. Provisions shall be made in budget estimates for reimbursing the Working Capital Fund for sums thus advanced.

ARTICLE 9 - TRUST FUNDS AND SPECIAL ACCOUNTS

- 109.1 The purpose and limits of each trust fund or special account established shall be as defined by the appropriate authority.
- 109.2 In cases other than those approved by the General Assembly, the establishment of any trust fund or the receipt of any grant to be administered by the United Nations requires the approval of the Secretary-General.
- 109.3 Miscellaneous cash donations offered for specific or general purposes may be accepted. No donation for a specific purpose may be accepted if the specified purpose is inconsistent with the policies and aims of the United Nations.

ARTICLE 10 - CONTRIBUTIONS AND PROVISION OF FUNDS

- 110.1 (a) The appropriations are financed by contributions from Members according to a scale of assessments determined by the General Assembly.
- (b) In the establishment of Members' contributions, adjustments to the amount of the appropriations approved by the General Assembly for the following financial year shall be made in respect of:
- (i) supplementary appropriations for which contributions have not previously been assessed on Members;
 - (ii) estimated miscellaneous income for the financial year to which the appropriations relate;
 - (iii) miscellaneous income of former years for which credit has not previously been taken into account, and deficiencies in estimated income which was previously taken into account;
 - (iv) contributions resulting from the admission of new Members;
 - (v) any balance of the appropriations surrendered in accordance with Rule 102.8;
 - (vi) other adjustments as approved by the General Assembly.
- 110.2 Contributions and advances to the Working Capital Fund shall be assessed in US dollars.

- 110.3 Contributions of States which are not Members of the United Nations, to the expenses of the International Court of Justice or treaty bodies financed from the United Nations appropriations, shall be taken to account as miscellaneous income.
- 110.4 Not later than thirty days after the General Assembly has adopted the budget and determined the amount of the Working Capital Fund, appropriate action shall be taken:
- (a) to transmit to Members all relevant documents;
 - (b) to inform Members of their commitments in respect of annual contributions and of advances to the Working Capital Fund;
 - (c) to request remittance of Members' contributions and any advances to the Working Capital Fund.
- 110.5 Payments made by a Member shall be applied first to the liquidation of any advances due to the Working Capital Fund and then to contributions due in the order in which the Member was assessed.

ARTICLE 11 - RECEIPT, MANAGEMENT AND DISBURSEMENT OF FUNDS

- 111.1 (a) Only those officials designated by the Director of Finance shall receive monies on behalf of the United Nations. An official receipt shall be issued in respect of all monies received.
- (b) Receipts shall be recorded in the accounts on the date remittance is received.
- 111.2 All monies received shall be deposited intact in an official bank account not later than the next business day following date of receipt.
- 111.3 (a) The Secretary-General will designate the banks in which the funds of the United Nations shall be kept;
- (b) Subject to the provisions of paragraph (a), the Director of Finance may establish such official bank accounts as may be required and shall make arrangements for the designation of signatories to the accounts.
- 111.4 (a) The Director of Finance may assign accounting rates of exchange;
- (b) Losses incurred as a result of the exchange of currencies may be offset against any exchange profits during the same financial years;
- (c) At the close of the financial year:
- (i) Any net profits shall be taken to account as miscellaneous income;

(ii) Any net losses shall be charged to the budget of the financial year.

111.5 (a) Only those officials designated by the Director of Finance may approve payments on behalf of the Organization;

(b) Payments shall be made on the basis of supporting vouchers and other documents which ensure that the goods or services have been received in accordance with the documents establishing the obligation, that payment has not previously been made, and that the payment is properly due.

(c) In addition to payments authorized under Rule 105.8 and notwithstanding paragraph (b) of this Rule, the Director of Finance may, when he deems it in the interests of the United Nations so to do, authorize progress payments.

111.6 (a) Ex gratia payments may be made in cases where, although in the opinion of the Department of Legal Affairs, there is no legal liability on the United Nations, the moral obligation is such as to make payment desirable in the interests of the United Nations.

(b) The prior approval of the Secretary-General is required for ex gratia payments when:

(i) the amount exceeds \$1,000; or

(ii) the proposal for payment originates in the Bureau of Finance; or

(iii) the recipient is a staff member of the United Nations receiving a salary of more than \$5,000 net per annum.

(c) In other cases, ex gratia payments may be made after approval by the Director of Finance, except that approval by the Director of Personnel also shall be required if the recipient is a staff member of the United Nations receiving a salary of \$5,000 net or less per annum.

111.7 Petty cash advances and Cashier's Fund advances may be made to officers designated by the Director of Finance. The accounts therefor shall be maintained on an imprest system. The amount and purposes of each advance shall be clearly defined by the Director of Finance.

111.8 Cash advances to branch offices shall not, in the absence of special authorization of the Director of Finance, be in amounts greater than those required to bring the cash balance of the office concerned to the estimated cash requirements for the next two months.

111.9 In addition to the advances specified in these rules, the Director of Finance may make such other cash advances as may be permitted by the Staff Rules and instructions, or may be approved by him.

- 111.10 Officers to whom cash advances are issued shall make use of such advances only for the purposes for which the advances were authorized and shall be personally responsible therefor. They shall render accountings as required by the Director of Finance, which unless otherwise provided shall be not less frequently than once each month; and shall be in a position at all times to account for the advances.
- 111.11 (a) All disbursements shall be made by cheque except to the extent that cash disbursements may be authorized by the Director of Finance.
- (b) Disbursements shall be recorded in the accounts as of the date when the disbursement is made, that is when the cheque is issued or cash is paid out.
- 111.12 Cheques shall be signed by two authorized signatories; provided that the Director of Finance may, where he deems that adequate safeguards to the funds of the United Nations are provided, authorize the signature of cheques by one officer only, or use of facsimile signatures.
- 111.13 (a) The Director of Finance may make short-term investments of monies not needed for immediate requirements, and may, after consultation with the Investments Committee, make long-term investments on account of the Joint Staff Pension Fund, the Library Endowment Fund; and other trust funds and special accounts, subject always to the provisions of the appropriate regulations or rules relating to such funds and accounts. The authority contained in this rule to make investments shall include the authority to exchange or sell as well as to purchase investment securities.
- (b) The Director of Finance shall report such investments periodically to the Advisory Committee, and in respect of investments made on behalf of the Joint Staff Pension Fund, to the Joint Staff Pension Board.
- 111.14 (a) All securities shall be deposited either in the custody of duly appointed bankers or in safe deposit vaults maintained by a recognized financial institution designated by the Director of Finance.
- (b) Withdrawal of securities from the custody of bankers and access to such safe deposit vaults shall require the authorization and signature of two officers designated for that purpose by the Director of Finance.

- 11.15 Investments shall be registered in an investment ledger, which shall show for each investment the face value, details and cost, place of deposit, proceeds of sale, and income earned.
- 11.16 (a) Income from investments of the general funds of the United Nations and the Working Capital Fund shall be taken into account as miscellaneous income.
- (b) Income from investments of trust funds and the funds of special accounts shall be credited in accordance with the terms and conditions of the trust fund or special account.
- 11.17 (a) The Director of Finance may, after full investigation, authorize the writing off of losses of cash and the book value of accounts receivable and notes receivable deemed to be irrevocable, except that the writing off of amounts in excess of \$1,000 requires the approval of the Secretary-General.
- (b) The investigation shall, in each case, fix the responsibility, if any, attaching to any officer of the United Nations for the loss.

ARTICLE 12 - RECEIPT, MANAGEMENT AND DISPOSAL OF
SUPPLIES, EQUIPMENT AND OTHER PROPERTY

- 112.1 (a) Complete and accurate records shall be maintained of supplies, equipment and other property received, issued, sold or otherwise disposed of, and remaining on hand. Such records shall show separately supplies, equipment and other property belonging to the United Nations and entrusted to the charge of the United Nations.
- (b) The records maintained in respect of stores and property accounts shall in all cases indicate the officer accountable therefor.
- 112.2 Physical inventories shall be taken of all supplies, equipment or other property of the United Nations or entrusted to the charge of the United Nations at such periods as may be necessary to ensure adequate control over such property, but not less often than one in each financial year.
- 112.3 (a) Deficiencies of supplies, equipment and other property arising through loss, theft or destruction shall be notified immediately by the responsible officer to the Assistant Secretary-General for Conference and General Services with copies to the Director of Finance and the Secretary of the Property Survey Board.
- (b) Property which becomes surplus to operating requirements of the United Nations or unserviceable through obsolescence or normal wear and tear shall be reported by the responsible officer to the Secretary of the Property Survey Board.

- 112.4 (a) The Property Survey Board shall investigate and advise upon:
- (i) All deficiencies of supplies, equipment or other property lost through theft, negligence or other causes.
 - (ii) Disposal of property which becomes surplus to the operating requirements of the United Nations or unserviceable through obsolescence or use.
- 11 (b) The report of the Property Survey Board shall indicate in each instance the degree of responsibility, if any, attaching to any officer of the United Nations for losses.
- 112.5 The recommendations of the Property Survey Board shall be submitted for approval to the Assistant Secretary-General for Conference and General Services and to the Director of Finance.
- 112.6 (a) The Director of Finance may, after full investigation in each case, authorize the writing off of losses of United Nations property.
- (b) Final determination as to all surcharges to be made against staff members or others as the result of losses will be made by the Director of Finance.
- 112.7 Sales of surplus property shall be made after competitive bidding and bids shall be invited by advertisement, except as provided in Rule 112.8.
- 112.8 Surplus property may, following a report by the Property Survey Board, be disposed of without advertising and/or competitive bidding:
- (a) when the estimated sales value of the property is, in the opinion of the Property Survey Board, less than \$500;
 - (b) when the best interests of the United Nations will be served by sale at fixed unit prices approved by the Board;
 - (c) when the exchange of surplus property in partial payment for new articles will afford an advantage to the United Nations over the sale of the surplus property and separate purchase of new articles;
 - (d) when the destruction of the surplus or unserviceable material will be more economical, is required by law, or when the confidential nature of the material so warrants;
 - (e) when the best interests of the United Nations will be served by disposal by gift or at nominal prices to a non-profit organization.

- 112.9 (a) Sales of United Nations property shall be made, on a cash basis payable on or before delivery, provided that the Director of Finance may make exceptions to this rule when he deems it in the interests of the United Nations so to do.
- (b) Exceptions involving payment of \$1,000 or more over a period exceeding one year shall be reported to the next convened session of the Advisory Committee.
- 112.10 The proceeds from the sale of surplus property shall be taken to account as miscellaneous income.
- 112.11 Miscellaneous unclaimed property in the possession of the United Nations for six months or longer shall be advertised by Information Circular and unless claimed by the rightful owner, shall be disposed of to the highest bidder. The proceeds shall be taken to account as miscellaneous income.

ARTICLE 13 - SERVICES TO GOVERNMENTS AND SPECIALIZED AGENCIES

- 113.1 Goods and services may be provided to Governments, specialized agencies, and other international organizations on a reimbursable or reciprocal basis on such terms and conditions as may be prescribed by administrative instructions, or may be otherwise approved in specific cases by the Director of Finance.

ARTICLE 14 - THE ACCOUNTS AND FINANCIAL STATEMENTS

- 114.1 The accounts of the United Nations shall be maintained in US dollars, provided that local accounts of branch offices may be maintained in the currency of the country in which they are situated.
- 114.2 The Director of Finance is responsible for maintaining the principal accounting records of the Organization.
- 114.3 The accounts shall consist of:
- (a) Budget accounts showing:
 - (i) Original appropriations;
 - (ii) Appropriations after modification by any transfers;
 - (iii) Credits, if any, other than appropriations made available by the General Assembly;
 - (iv) Allotments made;

- (v) Obligations outstanding;
 - (vi) Expenditures;
 - (vii) Unencumbered balances of allotments.
- (b) General Accounts showing all cash at banks, investments, receivables and other assets; payables and other liabilities in the General Account.
- (c) Separate accounts for the Working Capital Fund, its sub-funds, and any trust fund or special account which may be established;
- (d) Property records showing:
- (i) Permanent Equipment acquisitions and disposals;
 - (ii) Supplies purchased, used and on hand;
- (e) Such records as will provide for a statement of assets and liabilities for the General Account, the Working Capital Fund and any other trust fund or special account at 31 December of each financial year.
- 114.4 (a) Branch offices shall maintain such local accounts as may be prescribed by the Director of Finance, and shall submit such periodical financial statements as may be required by him.
- (b) The Director of Finance may authorize Departments to maintain subsidiary accounting records including property accountability records, as may be required, subject to such controlling accounts as he deems necessary.
- 114.5 Income shall be recorded in the accounts on an accrual basis, except as may be otherwise required by the terms of any trust fund or special account.
- 114.6 Proceeds from the sale, rental, or other disposition of property owned by the United Nations or from the loan of staff members or other services rendered shall be taken to account as miscellaneous income.
- 114.7 (a) Direct refunds of expenditure charged in the same year against the budgetary accounts may be credited against expenditures, but no other proceeds shall be so credited.
- (b) Direct refunds or expenditure charged to budgetary accounts of prior years shall be taken to account as Miscellaneous income.

- .8 All bank accounts shall be reconciled with the statements submitted by bankers not less frequently than once each month by officers having no part in the receipt or disbursement of funds.
- 4.9 (a) Financial statements shall be prepared monthly and shall include:
- (i) Statement of budget appropriations, allotments issued, unallotted appropriations, obligations incurred, and unobligated balances of allotments and appropriations;
 - (ii) Summary statement of appropriations, income, and obligations incurred;
 - (iii) Statement of assets and liabilities of the General Account;
 - (iv) Statement of the Working Capital Fund;
 - (v) Statement of assets and liabilities of trust funds and special accounts;
 - (vi) Such other statements as may be required;
 - (vii) Supporting schedules, which shall include:
 - a. summary of cash balances;
 - b. status of Members' contributions and advances;
 - c. summary of investments;
 - d. summary of miscellaneous income; and
 - e. such other schedules as may be required.
- (b) Copies of the monthly financial statement shall be transmitted to the members of the Advisory Committee.
- 4.10 (a) The annual account shall be prepared by the Director of Finance as at 31 December of each financial year and shall be submitted to the Board of Auditors not later than 31 March following the end of the related financial year.
- (b) The annual accounts shall include the following statements;
- (i) Statement of budget appropriations, obligations incurred, and unobligated balances of appropriations;
 - (ii) Statement of income, obligations incurred, and surplus account;
 - (iii) Statement of assets and liabilities, together with such supporting schedules as may be required, and shall be accompanied by a
 - (iv) Statement of ex gratia payments;

(c) There shall be provided to the Board of Auditors with the annual accounts:

- (i) Summary statement of supplies and equipment on hand;
- (ii) Details of losses of cash, stores and other assets written off; and
- (iii) Such other statements as may be required.

114.11 The accounting and other financial records and all supporting documents shall be retained for such period or periods as may be approved by the Board of Auditors after which, on the authority of the Director of Finance such records and documents may be destroyed.

ARTICLE 15 - INTERNAL INSPECTION

115.1 The Inspection Service shall review transactions having financial implications, as to the regularity of the receipt, custody and disposal of all funds and other financial resources of the Organization, the conformity of obligations and expenditures with the appropriations or other financial provisions voted by the General Assembly and the allotments issued thereunder, or with the purposes and rules relating to Trust Funds and Special Accounts, and as to the conformity of all such transactions with the rules relating thereto.

ARTICLE 16 - MISCELLANEOUS PROVISIONS

- 116.1 Every officer of the United Nations is responsible to the Secretary-General for the regularity of actions taken by him in the course of his official duties. Any officer who takes any action contrary to these financial rules or to the administrative instructions issued in connexion therewith, may be held personally and financially liable for the consequences of his action.
- 116.2 These rules may be amplified by administrative instructions issued by the Director of Finance.
- 116.3 These rules may be amended by the Secretary-General.
- 116.4 These rules shall be effective as of and from 1 February 1954 and shall supersede all other provisions in force before that date and contrary to these rules.
