



SECRETARY-GENERAL'S BULLETIN

To: The United Nations Emergency Force, and
Members of the Staff of the United Nations

Provisional Financial Rules for the Special Account
for the United Nations Emergency Force

Article I - Authority, Applicability and Definitions

101.1 - These provisional rules are established in accordance with the provisions of paragraph 4 of resolution 1122 (XI) adopted by the General Assembly on 26 November 1956. They shall govern the administration of the United Nations Emergency Force Special Account (hereinafter referred to as the "Special Account"), and shall apply in lieu of the UN Financial Regulations and Rules except as provided herein.

101.2 - For the purpose of these rules:

- (a) "Commander" shall mean the general officer appointed as "Chief of the United Nations Command" by the General Assembly;
- (b) "Chief Administrative Officer" shall mean the official designated as such by the Secretary-General of the United Nations for the purposes of these rules;
- (c) "Chief Finance Officer" shall mean the official designated as such by the Secretary-General of the United Nations for the purposes of these rules;
- (d) "First Financial period" shall mean the period ending 31 December 1957, or such earlier date as the Secretary-General in consultation with the Board of Auditors may determine.

Article II - Establishment and Purpose of UNEF Special Account

- 102.1 - A Special Account for the United Nations Emergency Force (hereinafter referred to as UNEF) is hereby established under the authority of Resolution 1122 (XI) for the purpose of meeting the expenses of UNEF.

Article III - Sources of Funds

- 103.1 - The Special Account shall be financed in accordance with arrangements approved by the General Assembly.
- 103.2 - Pending receipt of contributions made by Member States to the Special Account the Controller or in his absence such other Secretariat member as may be designated by the Secretary-General is authorized to advance to the Special Account from the Working Capital Fund of the United Nations such sums not exceeding in total the amount authorized by the General Assembly as may be required to meet current expenses chargeable to the Special Account. 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.
- 103.3 - The Secretary General, with the concurrence of the Government concerned, may treat as an advance to the Special Account the costs of services and supplies chargeable to the Special Account which have been furnished by a Member State.
- 103.4 - In addition to the advances from the United Nations Working Capital Fund referred to in rule 103.2 above, arrangements may be made where necessary for loans to the UNEF Special Account from other appropriate sources, including other funds under the control of the Secretary-General. Any such loan shall require the personal approval of the Secretary-General.
- 103.5 - Loans from other funds under the control of the Secretary-General may be made only if the current operational programmes for which such funds were intended will not be affected by the proposed loan. The Controller shall, in consultation with the office primarily concerned with the implementation of the operational programme involved, ascertain that this condition is fulfilled and shall make appropriate recommendation to the Secretary-General.

- 103.6 - The repayment of advances and loans to the UNEF Special Account shall constitute a first charge against contributions as they are received.
- 103.7 - The financial statements to be submitted to the General Assembly under rule 110.10 (b) (iv) below shall include statements on advances and loans to the UNEF Special Account. In the case of loans derived from funds under the control of the Secretary-General other than the Working Capital Fund, the Controller shall arrange to submit appropriate reports to the authority competent to determine the disposition of the funds involved. Such reports shall be submitted for the information of the organ concerned and shall include such details as may be required to show the necessity for such loans and the fulfilment of any conditions applicable thereto.

Article IV - Issue, Withdrawal and Transfer of Allotments

- 104.1 - Funds from the Special Account shall be made available through allotments made by the Controller to the Commander provided, however, that sub-allotments may be made by the Controller to departments of the United Nations. The Controller shall ensure that allotments remain at all times within the total amount authorized for the Special Account by the General Assembly.
- 104.2 - Allotments or sub-allotments shall be made in writing.
- 104.3 - (a) Unobligated balances of allotments or sub-allotments may be decreased or withdrawn by the Controller. All such adjustments shall be notified in writing.
- (b) No transfer between sub-allotments shall be made except with the prior written authorization of the Controller.

Article V - Administration of Allotments

- 105.1 - Obligations and expenditures shall be ordered or authorized only for the purposes for which the allotments have been made, and subject to such regulations, rules and instructions as may be applicable.
- 105.2 - No obligations or expenditures shall be ordered or authorized exceeding the amount of allotments or sub-allotments made available for such obligations and expenditures.

- 105.3 - The Chief Administrative Officer is appointed as Certifying Officer for all accounts falling within the allotments made to the Commander and which have not been sub-allotted by the Controller. The Controller shall designate alternate certifying officers in writing.
- 105.4 - One or more secretariat members of senior status shall be appointed as Certifying Officers by the Controller for the Departments concerned at Headquarters of the United Nations. Such Certifying Officers shall be responsible for the accounts falling within the sub-allotments made to their departments. Alternates may be appointed in the same manner to act for the Certifying Officer in his absence.
- 105.5 - A Certifying Officer shall be responsible for certifying that every obligation or expenditure proposed to be met from the Special Account:
- (a) is in accord with existing regulations, rules and instructions;
 - (b) can be met from the available balance in the appropriate allotment or sub-allotment, and
 - (c) is reasonable and in accord with the purposes for which the allotment or sub-allotment was made.
- 105.6 - (a) Appropriate documents in support of proposed obligations and expenditures, together with such further explanations and justifications as may be requested, shall be submitted in the field by the Chief Administrative Officer to the Chief Finance Officer, and at UN Headquarters by the Department concerned to the Controller.
- (b) In the field the Chief Finance Officer may, on adequate grounds, disallow any proposal for an obligation or expenditure. Should there be a conflict of opinion between the Chief Administrative Officer and the Chief Finance Officer as to such proposal, and the circumstances preclude referral of the question to UN Headquarters, the Chief Finance Officer shall state his objections in writing to the Chief Administrative Officer. The latter may by reply in writing request approval nevertheless, and the Chief Finance Office shall then accede to the request and shall subsequently report the facts to the Controller with a copy of the report to the Chief Administrative Officer.

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(c) The Controller may, on adequate grounds, disallow any proposal submitted to him for an obligation or expenditure.

- 105.7 - No contract, agreement, or undertaking of any nature for an amount exceeding \$1,000 shall be entered into until credits have been reserved in the accounts by the Controller or Chief Finance Officer to meet any expenditures which may accrue in the financial year.
- 105.8 - All increases in obligations shall be subject to the same rules as apply to the ordering, authorizing or incurring of original obligations.
- 105.9 - When any obligation previously recorded is for any reason decreased (other than by the normal process of payment) or cancelled, the Controller or Chief Finance Officer shall be immediately informed in writing, and the accounts shall be adjusted.

Article VI - Contracts and Purchases

- 106.1 - Contracts for the purchase of services, supplies, equipment or other requirements for UNEF shall be entered into for or on behalf of the United Nations in the field by the Commander or a secretariat member or a responsible official of UNEF designated in writing by him and at UN Headquarters only by Purchasing Officers duly authorized by the Director of General Services.
- 106.2 - The Committee on Contracts shall review and advise upon all contracts involving commitments of \$5,000 or more.
- 106.3 - Except as provided in rule 106.4, contracts for supplies, equipment and other requirements shall be let after competitive bidding, and tenders shall be invited by advertisement.
- 106.4 - (a) Contracts may be awarded without advertising:
- (i) when the proposed contract involves commitments of less than \$1,000;
 - (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) in case of procurement of supplies, equipment or services from and through a Government;

- (ii) when the proposed contract involves commitments of less than \$500;
- (iii) when the prices or rates are fixed pursuant to legislation or by regulatory bodies;
- (iv) when the Commander or the Director of General Services, as appropriate, has approved a standardization of equipment or supplies requiring procurement from one service;
- (v) when the exigency of the service does not permit the delay attendant upon the issue of invitations to bid;
- (vi) for proprietary articles, perishable supplies or other supplies or services where similar conditions exist, when the Commander or the Director of General Services, as appropriate, determines that it is not practical to obtain competition;
- (vii) when the proposed contract relates to professional services, medicines, medical supplies, hospital or surgical supplies or prosthetic appliances;
- (viii) when the Commander or the Director of General Services, as appropriate, determines that competitive bidding does not give satisfactory results.

106.5 - All bids shall be publicly opened at the time and place specified in the invitation to bid.

106.6 - 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.

106.7 - Purchases amounting to \$200 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 secretariat members the nature of the services, period covered, conditions of fulfilment, the amount and terms of payment.

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- 106.8 - Except where normal commercial practice of 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.
- 106.9 - Each determination or decision required by 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; and in cases of \$1,000 or more, shall also accompany the related obligating documents.
- 106.10 - Contracts for locally recruited staff shall be approved by the Commander or a secretariat member designated by him. The terms and conditions of employment for such staff shall, to the extent practicable, follow the best prevailing practices in the locality.

Article VII - Receipt, Management and Disbursement of Funds

- 107.1 - (a) Only those officials designated by the Controller shall receive monies on behalf of the Special Account. 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.
- 107.2 - All monies received shall be deposited intact in an official bank account as soon as practicable and whenever possible not later than the next business day following date of receipt.
- 107.3 - (a) The Secretary-General will designate the banks in which the funds of the UNEF Special Account shall be kept;
- (b) Subject to the provisions of paragraph (a), the Controller may establish such official bank accounts as may be required and shall make arrangements for the designation of signatories to the accounts.
- 107.4 - (a) The Controller 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 period;

(c) At the close of the financial period:

- (i) Any net profits from exchange shall be taken into account as miscellaneous income to the Special Account;
- (ii) Any net losses from exchange shall be charged to the Special Account.

107.5 - (a) Only those officials designated by the Controller may approve payments from the Special Account;

(b) Payments shall be made on the basis of supporting **vcuchers 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 106.8 and notwithstanding paragraph (b) of this rule, the Controller may, when he deems it in the interests of the United Nations so to do, authorize progress payments.

107.6 - (a) Ex gratia payments may be made in cases where, although in the opinion of the Office 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 Office of the Controller; or
- (iii) the recipient is a secretariat 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 Controller, except that approval of the Director of Personnel also shall be required if the recipient is a secretariat member of the United Nations receiving a salary of \$5,000 net or less per annum.

107.7 - Petty cash advances and Cashier's Fund advances may be made to officials designated by the Chief Finance Officer. The accounts therefor shall be

maintained on an imprest system. The amount and purposes of each advance shall be clearly defined by the Chief Finance Officer.

- 107.8 - Cash advances to branch offices shall not, in the absence of special authorization of the Controller, 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.
- 107.9 - Officials 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 Chief Finance Officer, 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.
- 107.10 - (a) All disbursements shall be made by cheque except to the extent that cash disbursements may be authorized by the Chief Finance Officer.
(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.
- 107.11 - (a) The Controller may, after full investigation and on the advice of the Chief Finance Officer, 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 official for the loss.

Article VIII - Receipt, Management and Disposal of Supplies, Equipment and Other Property

- 108.1 - (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 or specifically entrusted to its custody.

(b) The records maintained in respect of stores and property accounts shall in all cases indicate the official accountable therefor.

108.2 - Physical inventories shall be taken of all supplies, equipment or other property of the United Nations or specifically entrusted to its custody at such periods as may be necessary to ensure adequate control over such property.

108.3 - (a) Deficiencies of supplies, equipment and other property arising through loss, theft or destruction shall be notified immediately by the responsible official to the Chief Administrative Officer.

(b) Property which becomes surplus to operating requirements of UNEF or unserviceable through obsolescence or normal wear and tear shall be reported by the responsible official to the Secretary of the UNEF Property Survey Board.

108.4 - (a) The UNEF Property Survey Board shall be established to consist of three Secretariat members of senior status appointed by the Commander to 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 UNEF or unserviceable through obsolescence or use.

(b) The report of the UNEF Property Survey Board shall indicate in each instance the degree of responsibility, if any, attaching to any individual.

108.5 - The recommendations of the UNEF Property Survey Board shall be submitted through the Director of General Services to the Controller for approval.

108.6 - (a) The Controller may, after review in each case, authorize the writing off of losses of UNEF 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 Controller.

108.7 - With the approval of the Director of General Services surplus property may be sold by the Commander after competitive bidding and bids shall be invited by advertisement, except as provided in rule 108.8.

- 108.8 - Surplus property may, following a report by the UNEF Property Survey Board and with the approval of the Director of General Services, be disposed of without advertising and/or competitive bidding:
- (a) when the estimated sales value of the property is, in the opinion of the UNEF 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 UNEF 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.
- 108.9 - Sales of United Nations property shall be made on a cash basis payable on or before delivery, provided that the Controller may make exceptions to this rule when he deems it in the interests of the United Nations so to do.
- 108.10 - The proceeds from the sale of surplus property shall be taken to account as miscellaneous income to the Special Account.
- 108.11 - Miscellaneous unclaimed property in the possession of UNEF for six months or longer may be disposed of locally. If sold, any proceeds shall be taken to account as miscellaneous income to the Special Account.
- 108.12 - The provisions of rules 108.5 and 108.6 (a) are subject to the exception that, in the case of recommendations of the UNEF Property Survey Board for the write-off of items with a cost value not exceeding \$100, the Chief Administrative Officer may authorize the writing off of losses of UNEF property and shall at month-end forward a recapitulation of these actions to the

Controller. If the report of the UNEF Property Survey Board under rule 108.4 (b) indicates any degree of responsibility attaching to any individual, this report shall under rule 108.6 (b) be forwarded to the Controller.

Article IX - Services to Governments and Specialized Agencies

109.1 - Goods and services may be provided for other UN activities, or 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 Controller.

Article X - The Accounts and Financial Statements

- 110.1 - The accounts of the UNEF shall be maintained in US dollars, provided that local accounts in the area of operations may be maintained in the currency of the country in which UNEF operates.
- 110.2 - The Controller is responsible for the maintenance of the principal accounting records of UNEF.
- 110.3 - The accounts shall consist of:
- (a) Budget accounts showing:
 - (i) Original allotments;
 - (ii) Allotments after modification by any transfers;
 - (iii) Other credits;
 - (iv) Obligations outstanding;
 - (v) Expenditures;
 - (vi) Unencumbered balances of allotments.
 - (b) General Accounts showing all cash at banks, receivables and other assets; payables and other liabilities in the General Account.
 - (c) Such records as will provide for a statement of assets and liabilities for the Special Account at 31 December 1957 and at such other dates as the Controller may specify.

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- 110.4 - Property records shall be maintained showing:
- (i) Permanent Equipment acquisitions and disposals;
 - (ii) Supplies purchased, used and on hand.
- 110.5 - (a) Branch offices shall maintain such local accounts as may be prescribed by the Chief Finance Officer, and shall submit such periodical financial statements as may be required by him.
- (b) Accounting for sub-allotments issued to Departments shall be maintained in accordance with instructions issued by the Controller at the time the sub-allotment is made.
- 110.6 - Payments into the Special Account shall be recorded in the accounts on receipt.
- 110.7 - Proceeds from the sale, rental, or other disposition of property procured with funds from the Special Account or the rendering of other services financed from the Special Account shall be taken to account as miscellaneous income to the Special Account.
- 110.8 - All bank accounts shall be reconciled with the statements submitted by bankers not less frequently than once each month.
- 110.9 - (a) Financial statements shall be prepared monthly as from January 1957 and shall include:
- (i) Statement of allotments issued, obligations incurred, and unobligated balances of allotments;
 - (ii) Summary statement of allotments, income, and obligations incurred;
 - (iii) Statement of assets and liabilities of the Special Account;
 - (iv) Such other statements as may be required;
 - (v) Supporting schedules, which shall include:
 - a. summary of cash balances;
 - b. status of all advances;
 - c. summary of miscellaneous income; and
 - d. such other schedules as may be required;

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(b) Copies of the monthly financial statement shall be transmitted to the members of the Advisory Committee on Administrative and Budgetary Questions.

110.10 - (a) The accounts for the first financial period shall be prepared as at 31 December 1957 or such earlier date as the Secretary-General in consultation with the Board of Auditors may determine;

(b) The financial statements shall be submitted by the Secretary-General to the General Assembly at the end of the first financial period and shall be supplemented by the following:

(i) Statement of ex gratia payments;

(ii) Summary statement of supplies and equipment on hand;

(iii) Details of losses of cash, stores and other assets written off; and

(iv) Such other statements as may be required.

Article XI - Audit Arrangements

111.1 - The provisions of the UN Financial Regulations as to External Audit and the UN Financial Rules as to internal inspection will apply.

Article XII - Miscellaneous Provisions

112.1 - Every official 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 official 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.

112.2 - These rules may be amplified by administrative instructions issued by the Controller.

112.3 - These rules may be amended by the Secretary-General.

112.4 - These rules shall be effective as of and from 5 November 1956.

Dag HAMMARSKJOLD
Secretary-General
