



1.0 SCOPE OF THIS SOP

Sections:

- A. Project Payments and Expenditure Overview
- B. Requests for Project payments and expenditures in the PAEP Portal
- C. Action Required by AP User
- D. Action required by AP Approver
- E. Quality Assurance Requirements

Not in Scope:

Disbursements of payments (covered in BFMS SOP 105)

2.0 REFERENCES IN CONJUNCTION WITH THIS SOP

Financial Regulations and Rules of the UN
Umoja Job Aid Guide for Accounts Payable Process
BFMS Procedures Manual
PEAP Portal Manual
BFMS Guideline (Draft) for Implementing Partner and End Beneficiary

3.0 ROLES INVOLVED IN THIS SOP

Creator– the person who creates the request in PEAP Portal
Substantive officer, Office head, PSD officer (Where Applicable) – Approve the request in the PEAP Portal
Certifying office – Certify the request in the PEAP portal and submit to FSU
Finance Assistant Processer – Process the request in the PEAP Portal
Finance Approver – Approve and clear requests in the PEAP Portal
AP User - (Umoja FA.02) Process the Accounts Payable document in Umoja
AP Approver– (Umoja FA.07) Approves AP Documents in Umoja

Section A: Project Payments and Expenditure Overview

1. Payments to Implementing Partners are issued as Advances. Advances can be issued for multi-year budget period; however, for financial statement purpose, the IP is obliged to provide financial reports for the expenditure for each budget period. Expenses are recognized based on Expense Reports provided by the IP. Detailed financial reporting to the UN by the Partner in comparison to the budget of the agreement is mandatory.



2. Payments to End Beneficiaries are directly recognized as expenses. As the payments to EB are directly expensed, to comply with IPSAS the payments must be scheduled to match the stages of implementation of the activities to be executed by the EB in the current budget period. Detailed financial reporting by the nature of expenditure is not mandatory.

Section B: Request for Project Payments & Expenditures in the PEAP Portal

3. Offices requesting Project Payment to be made or expenditures against previous payments to be recorded must create a request through the PEAP Portal ensuring that:-
 - a. The relevant supporting documents have been attached such as:-
 - i. Copy of AoC /SSFA/CA/PCA/CIA (& Letter of Agreement where applicable e.g with UNOPS) signed by the Organization(UNEP/UN-Habitat) and the implementing partner
 - ii. Cash Advance statement deriving the current payable per schedule in the agreement, together with (if requesting for expenditures recording) a reconciliation statements showing clearly previous advances to be cleared
 - iii. For expenditures requests, expenditure report signed by both the IP and the certifying officer
 - iv. If alternative banking details are to be used (other than the one in the agreement), proof of the new bank account is required
 - b. The correct BP and country of BP are indicated.
 - c. Payee bank details are available in Umoja. If not, raise a request to Treasury to input. Requests with no valid bank details in Umoja will be rejected.
 - d. Approved Purchase Order/Funds commitment or Internal Order is quoted.
 - e. Correct PO lines with sufficient budget are quoted.
 - f. If subsequent payment - approved Service Entry Sheets (SES's) for the previous advance are quoted and the Expenditure Request reference clearly stated on the payment request in portal.
 - g. Parent Grant has sufficient cash to meet the payment
 - h. Amount and currency to be paid are clearly stated.
 - i. Approved financial statements by UNON Chief of Accounts for Donor refunds.



- j. Remarks/Narrative – Logical description must be provided for the payment providing as much details as needed.
 - k. Agreement reference quoting AoC/SSFA/CA/PCA/CIA where applicable.
4. For UNDP payments, the creator has to identify which UNDP office is to pay and clearly indicate any special instructions that needs to be taken into account and/or to be included in UNDP financial authorization (FA) instruction.
 5. Once the requestor complete the request, they then submit to the Substantive officer, Office head or PSD officer (where applicable), who then receive the request in their portal inbox, check the accuracy and legitimacy and approve and submit the request further to the certifying officer.
 6. The certifying officer receives the request into their portal inbox, checks the accuracy and legitimacy and certifies and submits the request further to UNON FSU.

Section C: Action Required by AP User

7. On receipt of the certified request in Lotus Notes, AP Users are required to:
 - a. Check that the BP and banking details exist in Umoja.
 - b. Confirm that the Purchase Order quoted; is approved, in the correct BP name, in the correct currency and have sufficient funds to process the payment.
 - c. Confirm the PO line to charge has sufficient balance
 - d. Raise the AP document as required and submit for Approval (see Annex A for workflow in Umoja)
 - e. Status to be updated in the portal request to the approving officer for approval
8. Portal request for payments and expenditures will be rejected in the following instances:
 - PO is not approved
 - SES is not approved
 - Expenditures report or agreement are not included or not signed
 - Bank details do not exist in Umoja or different without justifications



- Advances Statement and reconciliation is not included
- Advance request but prior advance not settled.

Section D: Action Required by AP Approver

9. On receipt of the portal request notification for approval, the approving officer will approve the AP document and the portal request after ensuring:
 - Correct AP documents has been raised
 - Correct amount and currency is being paid/recorded
 - Sufficient evidence have been attached
10. If the approving officer is not satisfied for any reason, he or she will reject both the AP document and the portal request clearly stating the reason for rejection.
11. For payments via UNDP offices, the Approving Officer will generate the UNDP Financial Authorization using the approved AP document.
12. AP Users must ensure that Request for IP Advances are raised in accordance to the payment schedule in the agreement, and that the Request for 2nd and further IP Advances are only raised after the Implementing Partners submit the expense reports for the previous advances.
13. AP Approving Officers must ensure that Requests for IP Advances are approved according to the payment schedule, having confirmed that supporting documentation is complete and that the Requesting Office has confirmed that the expense reports for the previous advances have been received.
14. AP Users must ensure that the clearance of previous advances are done based on the expense reported and accepted in the Service Entry Sheets

Section E: Quality Assurance Requirements

15. The key Quality Assurance (QA) Requirements for the proper maintenance and control of Project Payments & Expenditure are as follows:



- a. Certifying Officers are to ensure that effective monitoring and checking systems are in place to avoid duplication of payment requests.
- b. Certifying Officers are to ensure timely follow up with partners for expenditure reports related to IP advances made.
- c. BFMS, UNON is to ensure that Procedures Manuals, Job Aids and Desktop Instructions are regularly reviewed and updated as necessary and that all relevant changes are brought to the attention of users.
- d. Certifying Officers, Headquarters Offices and BFMS, UNON are to ensure that effective monitoring and checking systems are in place to minimize the risks of fraud, theft or misuse of United Nations funds.

Annexes:

- A. Expenditure Request Workflow
- B. Advances To Implementing Partners Payment Request Workflow