UNITED NATIONS SYSTEM ACCOUNTING STANDARDS

REVISION VIII

- Based on revision 1, ACC/1995/20, Annex III;
- Updated for changes to paragraphs 32, 34 and 57 as given in Annex III of ACC/1997/14;
- Updated for changes to paragraphs 31, 32, 35, 48iii and 57 as given in Annex III of ACC/1999/14;
- Updated for changes to paragraph 49 and addition of new paragraph 58, as given in Annex III of ACC/2000/6
- Updated for changes to paragraphs 7 and 21 as given in the report of the Working Party on Accounting Standards, June 2001;
- Updated for changes to paragraphs 1, 28, 29, 31, 46, 48, Appendices III and IV, as given in Annex I of CEB/2004/HLCM/R.12
- Updated for a change to paragraph 3 as given in paragraph 11(d) of CEB/2005/HLCM/R.25
- Updated for a change to paragraph 3 as given in paragraph 83 of CEB/2006/5

1 January 2007

Preface

The common inter-organization accounting standards set out in this document have been approved by the Administrative Committee on Coordination (ACC) in response to a request by the United Nations General Assembly, in its decision 46/445 of 20 December 1991, that the Secretary-General should "propose a set of accounting standards for common application to the United Nations system". The standards have been developed by accounting specialists of organizations of the system under the auspices of ACC's Consultative Committee on Administrative Questions (CCAQ), in consultation with the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency, for presentation to the General Assembly at its forty-eighth session. CCAQ has since been replaced by the High Level Committee on Management (HLCM) under the auspices of the Chief Executives Board for Coordination (CEB).

The primary objective of the standards is to provide a framework for accounting and financial reporting in the United Nations system which reflects generally accepted accounting principles, while taking account of the specific characteristics and needs of the system. A further objective is to promote consistent accounting and financial reporting practice between the organizations.

Underlying these objectives are needs for governments and other contributors to the organizations to have the means to judge the manner in which resources made available by them are used, and for the management of each organization to demonstrate that it has fulfilled its responsibility for stewardship and accountability in respect of such resources.

Accounting and financial reporting in accordance with the standards should among other things assist those concerned:

(i) To ensure consistent and transparent treatment and disclosure of financial transactions;

(ii) To assess the financial position and its evolution over time;

(iii) To ascertain the sources from which income has been derived and the ways in which it has been used; and

(iv) To judge financial performance under approved budgets.

It is the intention of CEB that the standards should be applied throughout the system. In conjunction with organizations' financial regulations and relevant decisions of their legislative authorities, the standards should form the basis for the accounting policies of each organization, and thereby guide its accounting practice in all matters of material significance.

Given the wide range of mandates of the organizations, their structures and methods of operation are very diverse. Their individual legislative authorities have ultimate responsibility for deciding on the orientation and conduct of their work and the related financial arrangements. In these circumstances the regulations, rules and decisions adopted may in some cases involve variations from common approaches as exemplified in the standards. CEB has included a provision in the standards specifying that attention will be drawn to any such variations in the financial statements of the organizations concerned.

Contents

Foreword

1. The accounting standards agreed for application in organizations of the United Nations system are based to a large extent on relevant International Accounting Standards promulgated by the International Accounting Standards Committee, to which appreciation is expressed for its permission to draw upon its texts, as listed in appendix I. Where differences from the International Accounting Standards exist, it is mainly because of the essentially non-commercial nature of the organizations' activities. Further important factors are the primacy of the regulations, and the central place of approved budgets in the organizations' operations, which make it necessary to focus the accounting within the framework of these mechanisms.

2. By their nature, the standards have to be open to modification, development and refinement as accounting principles evolve and new needs emerge in the system itself. They will accordingly continue to be reviewed on a periodic basis through the same procedures as those through which they have been established.

3. Where individual organizations find it necessary to depart from the practice set out in the standards they should disclose the reasons for doing so in the statement of significant accounting policies included in their financial statements. Where an organization departs from the practices set out below in order to apply:

(a) An IPSAS standard(s); and/or

(b) An IFRS/IAS standard(s) applicable to a topic, when no IPSAS exists for a topic,

the organization is deemed to comply with UNSAS, so long as the organization complies with:

(a) The IPSAS individual standard(s) in its entirety; and/or IFRS/IAS individual standard(s) in its entirety; and

(b) All remaining UNSAS requirements.

This allows organizations to gradually adopt IPSAS by 2010.

General Framework

4. Going concern, consistency and accrual are fundamental accounting assumptions, which are described below as they apply in the United Nations system. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If these fundamental accounting assumptions are not followed, that fact should be disclosed together with the reasons.

(i) Going concern - The organization is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the organization has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations;

(ii) Consistency - It is assumed that accounting policies are consistent from one financial period to another;

(iii) Accrual - The accrual basis of accounting for revenue in each financial period means that income is recognized when it is due and not when it is received. Accrual of expenditure in each financial period means that costs are recognized when obligations arise or liabilities are incurred and not when payments are made.

5. Prudence, substance over form and materiality, as described below, should govern the selection and application of accounting policies:

(i) Prudence - Uncertainties inevitably surround many transactions. This should be recognized by exercising prudence in preparing financial statements. Prudence does not, however, justify the creation of secret or hidden reserves;

(ii) Substance over form - Transactions and other events should be accounted for and presented in accordance with their substance and financial reality and not merely with their legal form;

(iii) Materiality - Financial statements should disclose all items which are material enough to affect evaluations or decisions and all material information which is necessary to make the statements clear and understandable.

6. Where an organization has activities which are of a commercial nature, it may be appropriate to apply international accounting standards (e.g. IAS 18, on income recognition), in which case that should be specified.

Financial Statements

7. The objective of financial statements is to provide information about the financial position and performance of the organization, changes in its financial position, and compliance with legislative and other authorities. Notes to the financial statements are an integral part thereof and should be grouped together in one place. A complete set of financial statements1 subject to audit should in all cases include: a statement of income and expenditure and changes in reserves and fund balances (Statement I), a statement of assets, liabilities, and reserves and fund balances (Statement II), a statement of cash flow, (Statement III), using either the indirect (Option A) or direct (Option B) method. Note 1 to the financial statements comprising a statement of the organization's objectives, and Note 2 to the financial statements comprising a statement of significant accounting policies. For organizations with assessed budgets, the audited financial statements should also include a statement or schedule of appropriations (Statement IV or Schedule 1.1) and a detailed schedule of assessed contributions outstanding for the regular budget. Individual organizations might wish to present additional information in the financial statements or schedules or in information annexes, but should maintain the principle that information subject to audit should be presented in statements or schedules while information not subject to audit should be presented in annexes.

8. The complete set of financial statements referred to in paragraph 7 above should be presented in the formats shown in:

(i) Appendix II[1] (statement of income and expenditure and changes in reserves and

[1] Excluding the first two columns on the left of the appendix which refer to the relevant paragraph in these standards (column 1); and to the further explanations attached to the formats (column 2).

fund balances - Statement I);

(ii) Appendix III[1] (statement of assets, liabilities, and reserves and fund balances - Statement II);

(iii) Appendix IV (statement of cash flow - Statement III);

(iv) Appendix V (statement or schedule of appropriations - Statement IV or Schedule 1.1).

9. Where organizations feel it inappropriate to present combined data, Statements I and II should be presented in the columnar format shown in appendices IIA and IIIA. Where combined data is presented, organizations should use the format in appendices IIB and IIIB. These columnar formats are designed to distinguish the different types of funds which are managed by the organization. In presenting data in the columns, organizations should show clearly which funds are at the disposal of the member States of the organization (e.g. regular budget, working capital funds, etc.), and which are not (e.g. funds received from donors to finance projects).

10. Further guidance on the use and degree of disclosure of each of the line items in these statements/schedules is given in the explanations attached to each format (see also paragraph 24 below).

11. Financial statements should have the qualitative characteristics required to make the information provided useful to readers. The four principal qualitative characteristics are understandability, relevance, reliability (accuracy, neutrality and completeness), and comparability over time. Compliance with the principal qualitative characteristics and appropriate accounting standards normally results in financial statements that convey what is generally understood as a true and fair view of, or as presenting fairly, the financial position of the organization at the end of the financial period, the results of its operations for that period, and changes in its financial position. In the interests of comparability, line descriptions in the financial statements and in annexes thereto, which have not already been defined, should preferably use the terms contained in the CCAQ Glossary of financial and budgetary terms.

12. Financial statements may be presented in thousands or millions of the currency of account, whichever is appropriate.

13. Financial statements should include as Note 1 a statement of the organization's objectives.

14. Financial statements should include clear and concise disclosure of all significant accounting policies which have been used.

15. The disclosure of the significant accounting policies used is an integral part of the financial statements. The policies should be disclosed in Note 2 to the financial statements, with cross-references as necessary to individual statements.

16. Wrong or inappropriate treatment of items in the financial statements is not rectified

either by disclosure of accounting policies used or by notes or explanatory material.

17. Unusual items or prior period items should be disclosed if they have a material effect on the financial statements or schedules. Such items should be either:

(i) Reported by adjusting opening balances in the financial statements for the current period and amending the comparative information in respect of prior years which is included in the financial statements; or

(ii) Separately disclosed in the current financial statements.

In either case the disclosure relating to these items should be adequate to facilitate comparisons of the figures for the periods presented.

18. A change in accounting policy should be made only if the adoption of a different accounting policy is required by resolution of the competent legislative authority or by the present accounting standards (endorsed as necessary by legislative authority), or if it is considered that the changes would result in a more appropriate presentation of the financial statements .

19. If there is a change in accounting policy that has a material effect in the current period, or may have a material effect in subsequent periods, the effect of the changes should be disclosed and quantified, together with the reason for the changes.

20. A change in an accounting estimate should be accounted for as part of income or expenditure relating to the ordinary activities of the organization in:

(i) The period of change if the change affects that period only; or

(ii) The period of change and future periods if the change affects both.

Revision of an estimate that relates to an item that was treated as an unusual item should itself be reported as unusual.

21. Contingent gains or losses, or events occurring after the end of the financial period, should be disclosed in the financial statements if they are considered to be of such importance that non-disclosure would affect the ability of users of the financial statements to make proper evaluations and decisions. For this purpose events after the balance sheet date are those that occur between the balance sheet date and the date when the financial statements are authorized for issue and should be considered as either adjusting events or non-adjusting events.

Adjusting events:

An organization should adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting date, i.e. those events that provide evidence of conditions that existed at the reporting date.

An example of an adjusting event after the reporting date would be the resolution of a court case which, because it confirms that an organization had an obligation at the reporting date, requires the organization, to the extent required by its financial policies, to make a provision or recognize a contingent liability or to adjust a provision or contingent liability already recognized.

Non-adjusting events:

An organization should not adjust the amounts recognized in its financial statements to reflect non-adjusting events after the reporting date, i.e. those events that are indicative of conditions that arose after the reporting date.

An example of a non-adjusting event after the reporting date would be the decline in market value of an investment between the reporting date and the date when the financial statements are authorized for issue. The fall in market value does not normally relate to the condition of investments at the reporting date but reflects circumstances that have arisen in the following period. If disclosure is necessary, the following information should be provided: (i) The nature of the contingency or event and factors that may affect any future outcome; (ii) An estimate of the financial effect, or a statement that such an estimate cannot be made.

22. For organizations with assessed budgets, the statement or schedule of appropriations (Statement IV or Schedule 1.1) should relate actual expenditure to budgeted expenditure for the period. At the summary level, the statement of income and expenditure and changes in reserves and fund balances (Statement I), the statement of assets, liabilities, and reserves and fund balances (Statement II), and the statement of cash flow (Statement III) should show corresponding figures for the preceding period[2].

23. The name of the organization, the date of the end of the financial period, and the period covered by financial statements and the currency in terms of which they are expressed, should be stated.

24. The amounts and classifications of items should be supplemented by any additional information required to make their meanings clear. Significant items should not be included with, or offset against, other items, without separate identification (see also the further explanations attached to the formats in appendices II to V, for guidance on disclosure).

25. All income and expenditure of the organization, whatever the source of funds, should be reported. The extent of combination, whatever the source of funds, should be reported. The extent of combination of income and expenditure in respect of different sources of funds (regular budget, extrabudgetary and any other resources) is a matter of judgement and depends on the extent to which it is meaningful and useful (see also paragraph 9 above).

Currency Questions

26. The accounts of the organizations are maintained, and their financial statements are presented, in the currency or currencies best suited to their operations. Where a transaction occurs in a currency other than the currency of account, it should be recorded in the organization's accounts and reflected in its financial statements in the currency of account.

[2] Exceptionally, for the first financial period in which the formats are used, the presentation of corresponding figures for the preceding period is not obligatory.

27. A transaction in a currency other than the organization's currency of account should be recorded in the currency of account by applying (i) the United Nations operational rate of exchange, (ii) the budget rate of exchange or other rate of exchange approved by the legislative authority of the organization, or (iii) the actual rate of exchange yielded at the time of the transaction. The United Nations operational rate of exchange should be the benchmark rate of exchange for the determination of exchange gains and losses.

28. Where organizations enter into forward contracts or other financial instruments for hedging against currency fluctuations, they should disclose in their financial statements:

(i) the organization's risk management objective and strategy for undertaking the hedge;
(ii) the value of outstanding contracts;
(iii) the basis used for measuring and reporting the transactions.

29. Differences on exchange relating to forward exchange contracts or other financial instruments should be:

(i) recorded in a separate component of reserves, if the hedging instrument has not been sold, terminated or exercised;

(ii) cleared to income or expenditure in the financial period in which the hedged firm commitment or forecasted transaction affects net income or expenditure;

(iii) cleared to income or expenditure in the financial period in which the hedge is sold, terminated or exercised.

30. In the statement of assets, liabilities and reserves and fund balances (Statement II), for the purpose of reporting items denominated in currencies other than the currency of account:

(i) Monetary items (that is, money held and assets and liabilities and reserves and fund balances to be received or paid in fixed or determinable amounts of money) should be reported using the United Nations operational rate of exchange in effect at the reporting date. Where changes in market rates of exchange are such that the use of this rate would cause a material discrepancy in the valuation of such items, the operational rate of exchange for the subsequent month (reflecting the market rate at the end of the financial period) may be used, subject to disclosure;

(ii) Non-monetary items which are carried in terms of historical cost should be reported using the United Nations operational rate of exchange at the date of the transaction; and

(iii) Non-monetary items which are carried at fair value should be reported using the United Nations operational rate of exchange in effect at the reporting date in determining their value.

31. Exchange differences arising on the settlement of monetary items or on reporting an organization's monetary items at rates different from those at which they were initially

recorded during the period, or reported in previous financial statements, should be recognized as revenue or as expenses in the period in which they arise.

Income and Expenditure

(a) Income

32. Income for a financial period is defined in the United Nations system as money or money equivalent received or accrued during the financial period which increases existing net assets. The following are the main types of income received by the organizations:

(i) Contributions assessed under

- regular budgets, or
- special accounts;

(ii) Voluntary contributions formally pledged

- in cash, or
- in kind;

(iii) Voluntary contributions received under arrangements other than (ii) above

(iv) Other/miscellaneous income.

33. Income from assessed contributions based on legislative resolutions represents a legal obligation of contributors to the organization as from the date when it becomes due payable. Such income shall be accordingly recognized as at that date. Based on its policy the organization may make a provision for delays in the collection of the outstanding contributions. The policy regarding provision for delays in the collection of the outstanding contributions shall be stated in the notes to the financial statements.

34. Voluntary contributions formally pledged represent a good-faith commitment of the contributor for the period and/or programme to which they relate. Such income should accordingly be recognized in that period. However, in the interests of prudent financial management, provision may be made as appropriate where the collection of the income so recognized is considered doubtful. In specific cases, where the pledge is deemed uncollectible, write-off action will be required. Alternatively, the income may be recognized only when funds are received.

35. Significant voluntary contributions in kind, which can be used in the normal course of an organization’s programme activity, and provided that a fair value can be reasonably estimated, should be reported in the organization’s financial statements. An organization may choose to recognize these contributions on the face of the statements or disclose them as a Note. Such contributions should be valued at a fair value, including donor’s valuation if appropriate, as best determined by the organization and the basis for such valuation should be disclosed.

36. Voluntary contributions not formally pledged are recorded only when received.

37. Other/miscellaneous income is defined in the United Nations system as income other than (i) the value of assessed or voluntary contributions and (ii) such other income items as may be excluded under the organization's financial regulations and rules. Other/miscellaneous income includes inter alia those items shown under that title in appendix II (statement of income and expenditure and changes in reserves and fund balances - Statement I). Other/miscellaneous income should be recorded on an accrual basis.

(b) Expenditure

38. Expenditure for a financial period is the sum of the disbursements and valid unliquidated obligations made against the appropriation/allocation of the period. The main types of expenditure incurred by the organizations are (i) expenditure under assessed regular or special budgets, which is governed by organizations' financial regulations, and (ii) expenditure under voluntary contributions, which may be governed either by the organizations' financial regulations or by separate rules established in accordance with those regulations.

39. Obligations are amounts of orders placed, contracts awarded, services received and other transactions which involve a charge against the resources of the current financial period and which will require payment during the same or a future period. Obligations under assessed regular or special budgets are maintained for the period specified in the organizations' financial regulations. Obligations charged to voluntary contributions may be maintained either for that period or until liquidated or cancelled.

40. Obligations may be increased during the financial period to which they relate according to the same rules as those applying to their establishment. During their period of validity they should be reduced as soon as they come to represent a decreased charge against the resources of the organization, and cancelled as soon as they no longer represent such a charge; in these cases the accounts should be adjusted in accordance with the organization's financial regulations and rules.

41. Obligations unliquidated at the end of a financial period which continue to represent a charge against the resources of the organization should be maintained if the relevant regulations or rules so permit, and shown as a liability in the accounts. Any other remaining unliquidated obligations should be cancelled. Where obligations remain a valid charge but are required to be cancelled because of time limits under the relevant regulations or rules, corresponding new obligations should be established against the resources of the current financial period.

42. Where commitments are incurred against future financial periods, they should be recorded in the organization's accounts or disclosed in a note to the financial statements. Disbursements against such commitments should be recorded as deferred expenditure.

43. The costs of non-expendable equipment, furniture and motor vehicles should be charged to expenditure on purchase.

44. Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the ordinary activities of the organization. Losses, which include for example losses or thefts of cash, stores or other assets, are not different in nature from other expenses.

45. Transfers to reserve accounts should be fully disclosed.

Assets, Liabilities and Reserves and Fund Balances

46. Assets, liabilities, and reserves and fund balances are the elements directly related to the measurement of organizations' financial position. They are defined as follows:

(i) An asset is a resource owned by or due to the organization as a result of past events.

(ii) A liability is a present obligation of the organization arising from past events, the settlement of which is expected to result in an outflow of resources from the organization.

(iii) Reserves and fund balances represent the difference between the assets and liabilities of the organization.

47. A financial asset and a financial liability should be offset and the net amount reported in the financial statements when an organization:

(c) has a legally enforceable right to set off the recognized amounts; and
(d) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

48. The statement of assets, liabilities and reserves and fund balances (Statement II) presents the financial position of the organization at a given moment in time. Information to be disclosed in the statement is set out in the following paragraphs.

(a) Assets

49. Assets to be disclosed include, amongst others, the items mentioned below. They should be listed in descending order of liquidity and any restrictions on title should be indicated:

(i) Cash and term deposits including cash on hand, current and call accounts and term deposits with banks. Separate disclosure should be made of material amounts held in non-convertible currencies;

(ii) Investments. The market value should be disclosed if it is different from the carrying amount in the financial statements;

(iii) Accounts receivable, including contributions receivable from Member States, interfund balances receivable, and other debit balances and advances under other accounts (excluding those shown under other assets). An aged analysis of outstanding contributions shall be made in the financial statements or the notes thereto;

(iv) Other assets, including *inter alia* inventories (other than non-expendable equipment, furniture and motor vehicles), and deferred charges;

(v) Land and buildings. The value of such property should be disclosed, and the method of valuation (cost, valuation or nominal) should be clearly stated.

50. At the end of the financial period the inventory value at the beginning and end of the financial period of non-expendable equipment, furniture and motor vehicles should be disclosed and the method of valuation (cost or valuation) should be clearly stated in a note to the financial statements. Where possible and to the extent required by the financial policies of the organization, additions and disposals made during the financial period should also be disclosed.

51. The costs incurred during construction or major long-term acquisitions which extend over more than one financial period should be accumulated and disclosed in a separate account. The sources of financing of the operation should be disclosed separately. On completion the construction or acquisition should be brought to account at final cost, and any remaining liability for the financing thereof should be separately shown.

52. Separate disclosure should be made of the amounts and timing of commitments for acquisition of land or buildings.

(b) <u>Liabilities</u>

53. Liabilities to be disclosed include, amongst others, the items mentioned below. They should be listed in the order of increasingly distant due dates, and any security given in respect of them should be disclosed.

(i) Contributions or payments received in advance;

(ii) Borrowings payable within one year;

(iii) Unliquidated obligations;

(iv) Accounts payable including inter-fund balances payable and other accounts payable;

(v) Other funds and special accounts;

(vi) Other liabilities;

(vii) Borrowings payable after one year.

54. Separate disclosure should be made of any secured or unsecured borrowings, and a summary of the interest rates and repayment terms should be provided.

(c) <u>Reserves and Fund Balances</u>

55. Reserves and fund balances include, amongst others, the following items:

(i) Operating reserves;

(ii) Other reserves;

(iii) Balances relating to projects funded by donors;

(iv) Working capital funds;

(v) Capital funds relating to land and buildings;

(vi) Surpluses and deficits.

56. The nature of each capital fund and reserve account, the authority for establishing it, its authorized level, its source of funding, and movements in its constituent funds should be separately disclosed.

57. The value of any accumulated surplus or deficit should be separately disclosed. Surpluses under assessed regular budgets should be disclosed in such a manner as to enable users of the organization's financial statements to ascertain the amounts actually available for distribution under the provisions of its financial regulations which relate to the surrender of such surpluses.

58. Liabilities for annual leave, end-of-service benefits and post-retirement benefits, including after-service medical benefits, should be provided for in the financial statements to the extent required by the financial policies of the organization. In so far as such liabilities are not fully provided for, appropriate disclosure should be made in the notes to the financial statements and estimated liabilities quantified where possible, showing the basis of valuation. As far as after-service medical benefits are concerned, such liability should normally be determined by actuarial evaluation.

59. Organizations participating in the United Nations Joint Staff Pension Fund ("UNJSPF") should disclose this in a Note, using the following text:

> " ________________ is a member organization participating in the United Nations Joint Staff Pension Fund which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the organization to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date."

Depending on the position at the time of finalization of the financial statements, one or the other of the following texts should be added:

> "At the time of this report the United Nations General Assembly has not invoked this provision.

or

> "Deficiency payments totaling $ [insert amount] are required following invocation, on [insert date], of the provision of Article 26 by the General Assembly, of which total the organization's share is $ [insert amount]. This amount [has/has not] been reflected in these financial statements.".

APPENDIX I

Accounting Standards of the International Accounting Standards Committee drawn upon in developing the United Nations system accounting standards

Framework for the Preparation and Presentation of Financial Statements

IAS 1	Disclosure of Accounting Policies
IAS 5	Information to be Disclosed in Financial Statements
IAS 7	Statement of Changes in Financial Position
IAS 8	Unusual and Prior Period Items and Changes in Accounting Policies
IAS 10	Contingencies and Events Occurring after the Balance Sheet Date
IAS 13	Presentation of Current Assets and Current Liabilities
IAS 16	Accounting for Property, Plant and Equipment
IAS 17	Accounting for Leases
IAS 18	Revenue Recognition
IAS 21	Accounting for the Effects of Changes in Foreign Exchange Rates
IAS 27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries
E 44	The Effects of Changes in Foreign Exchange Rates (Exposure Draft)

APPENDIX IIA (option A)
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES (Statement I)
for the period ending [date]
(Expressed in [currency of account])

References: Accounting Standards	References: Comments and further disclosure[1]	Heading	Schedule or Note Reference[2]	General Fund (and related funds) [Financial Period] [Current]	General Fund (and related funds) [Financial Period] [Prior]	Other Activities 1 [Financial Period] [Current]	Other Activities 1 [Financial Period] [Prior]	Other Activities 2 [Financial Period] [Current]	Other Activities 2 [Financial Period] [Prior]	Other Activities 3 etc. [Financial Period] [Current]	Other Activities 3 etc. [Financial Period] [Prior]
		INCOME:									
32(i), 33	1	Assessed contributions									
32(ii),(iii), 34 - 36	2	Voluntary contributions									
32(iv), 37	3	Other/Miscellaneous income									
	4	Revenue producing activities									
	5	Funds received under inter-organization arrangements									
	6	Allocations from other funds									
	7	Jointly-financed activities									
	8	Income for services rendered									
		Interest income									
	9	Currency exchange adjustments									
		Other/Miscellaneous									
		TOTAL INCOME									
38 - 41, 43 - 44		**EXPENDITURE**									
45	10	Expenditure									
		TOTAL EXPENDITURE									
		EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE									
	11	Prior period adjustments									
	12	Provision for delays in the collection of contributions									
		NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE									
	13	Savings on prior periods' obligations									
	14	Transfers to reserves									
	14	Transfers from reserves									
		Transfers to/from other funds									
		Credits to member States									
	15	Other adjustments to reserves and fund balances									
		Reserves and fund balances, beginning of period									
		RESERVES AND FUND BALANCES, END OF PERIOD									

[1] **Comments and information on further disclosure , see below.**

[2] **This column is optional when the references cannot pertain to all columns shown.**

APPENDIX IIB (option B)
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES (Statement I)
for the period ending [date]
(Expressed in [currency of account])

References		Heading	Schedule or Note Reference[2]	General Fund (and related funds)	Other Activities			Eliminations	Total	
									[Financial Period]	
Accounting Standards	**Comments and further disclsosure[1]**				**1**	**2**	**3 etc.**		[Current]	[Prior]
		INCOME:								
32(i), 33	1	Assessed contributions								
32(ii),(iii), 34 - 36	2	Voluntary contributions								
32(iv),37	3	Other/Miscellaneous income								
	4	Revenue producing activities								
	5	Funds received under inter-organization arrangements								
	6	Allocations from other funds								
	7	Jointly-financed activities								
	8	Income for services rendered								
		Interest income								
	9	Currency exchange adjustments								
		Other/Miscellaneous								
		TOTAL INCOME								
38 - 41,		**EXPENDITURE**								
43 - 44										
45	10	Expenditure								
		TOTAL EXPENDITURE								
		EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE								
	11	Prior period adjustments								
	12	Provision for delays in the collection of contributions								
		NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE								
	13	Savings on or cancellation of prior periods' obligations								
	14	Transfers to reserves								
		Transfers from reserves								
		Transfers to/from other funds								
		Credits to member States								
	15	Other adjustments to reserves and fund balances								
		Reserves and fund balances, beginning of period								
		RESERVES AND FUND BALANCES, END OF PERIOD								

[1] **Comments and information on further disclosure, see below.**

[2] **This column is optional when the references cannot pertain to all columns shown.**

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES (Statement I)

COMMENTS AND FURTHER DISCLOSURE

Number	Comments	Disclosure by schedule or note or on the financial statements	
		Obligatory	**Optional**
General	In accordance with paragraph 5(iii) of the Accounting Standards, all items which are material enough to effect evaluations or decisions should be disclosed in footnotes.		
1/2	Contributions may be broken down by main components to meet Organization's reporting requirements (e.g. Government/non-Government, cash/in kind, pledged/voluntary contributions).		For regular budgets, disclose income from member States (together with contributions outstanding - see obligatory disclosure for contributions receivable). For voluntary contributions, disclose amounts brought to account (together with expenditure where appropriate).
3	Other income items may be shown separately or grouped under the major heading "other/miscellaneous" as prescribed by the basic texts or resolutions, or depending on materiality.		Where such income is shown only in total, disclose breakdown by component.
4	Shown on gross basis unless otherwise indicated.	Where exceptionally shown on net basis, disclose gross income and related costs.	
5	Funds received from UNDP/UNFPA etc. to meet expenditure.		
6	Income received from other funds managed by the organization.		
7	Cost-sharing contributions to meet expenditure provided for on a gross basis in the appropriation (otherwise such items should be handled through the receivable accounts).		
8	Project servicing costs, management fees, etc.		
9			Disclose nature of adjustment.
10	Show total expenditure or high level breakdowns (such as programme/administrative; disbursements/unliquidated obligations) or matching to categories of income where appropriate.	For regular budgets, must agree with Statement/Schedule of appropriations. Disclose individual transfers to reserves provided in appropriation.	For expenditure financed from voluntary contributions, cross-reference to Summary Schedule (see optional disclosure for voluntary contributions receivable).
11	To include items not charged to current budget; e.g. writes-off of pledges of prior periods.		
12	To reflect the movement on the provision set up against contributions receivable.		
13	To be disclosed as stipulated in basic texts, or included in calculation of miscellaneous income when determining level of assessed contributions.		
14		Indicate individual transfers, including reserving funds to implement approved programmes in the subsequent biennium.	
15		Provide details of adjustments.	

APPENDIX IIIA (option A)
STATEMENT OF ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCES (Statement II)
as at [date]
(Expressed in [currency of account])

References		Heading	Schedule or Note Reference[2]	General Fund (and related funds)		Other Activities					
Accounting Standards	Comments and further disclosure[1]					1		2		3 etc.	
				[Financial Period]		[Financial Period]		[Financial Period]		[Financial Period]	
				[Current]	[Prior]	[Current]	[Prior]	[Current]	[Prior]	[Current]	[Prior]
		ASSETS									
49(i)	1	Cash and term deposits									
49(ii)	2	Investments									
49(iii)	3	Accounts receivable									
33	4	Assessed contributions receivable from member States									
34		Voluntary contributions receivable									
		Other contributions receivable									
		Less provision for delays in the collection of contributions									
	5	Inter-fund balances									
	6	Other									
49(iv)	7	Other assets									
49(v), 51	8	Land and buildings									
50	9	[Note to the accounts concerning non-expendable equipment, etc.]									
		TOTAL ASSETS									
53, 58, 59		**LIABILITIES**									
	10	Contributions or payments received in advance									
54	11	Borrowings payable within one year									
	12	Unliquidated obligations									
	3	Accounts payable									
	13	Inter-fund balances									
	14	Other									
	15	Other funds and special accounts									
	16	Other liabilities									
54	17	Borrowings payable after one year									
		TOTAL LIABILITIES									
		RESERVES AND FUND BALANCES									
55 - 57	18	[For example]									
		Operating reserves									
		Other reserves									
		Balances relating to projects funded by donors									
		Working Capital Funds									
		Capital funds relating to land and buildings									
		Surplus (deficit)									
		TOTAL RESERVES AND FUND BALANCES									
		TOTAL LIABILITIES, RESERVES AND FUND BALANCES									

Comments and information on further disclosure, see below. [2] **This column is optional when the references cannot pertain to all columns shown.**

APPENDIX IIIB (option B)
STATEMENT OF ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCES (Statement II)
as at [date]

(Expressed in [currency of account])

References		Heading	Schedule or Note Reference2	General Fund (and related funds)	Other Activities			Eliminations	Total	
Accounting Standards	Comments and further sicclsoure1				1	2	3 etc.		[Financial Period]	
									[Current]	[Prior]
		ASSETS								
49(i)	1	Cash and term deposits								
49(ii)	2	Investments								
49(iii)	3	Accounts receivable								
33	4	Assessed contributions receivable from member States								
34		Voluntary contributions receivable								
		Other contributions receivable								
		Less provision for delays in the collection of contributions								
	5	Inter-fund balances								
	6	Other								
49(iv)	7	Other assets								
49(v) , 51	8	Land and buildings								
50	9	[Note to the accounts concerning non-expendable equipment, etc.]								
		TOTAL ASSETS								
53 , 58 , 59		**LIABILITIES**								
	10	Payments or contributions received in advance								
54	11	Borrowings payable within one year								
	12	Unliquidated obligations								
	3	Accounts payable								
	13	Inter-fund balances								
	14	Other								
	15	Other funds and special accounts								
	16	Other liabilities								
54	17	Borrowings payable after one year								
		TOTAL LIABILITIES								
		RESERVES AND FUND BALANCES								
55- 57	18	[For example]								
		Operating reserves								
		Other reserves								
		Balances relating to projects funded by donors								
		Working Capital Funds								
		Capital funds relating to land and buildings								
		Surplus (deficit)								
		TOTAL RESERVES AND FUND BALANCES								
		TOTAL LIABILITIES, RESERVES AND FUND BALANCES								

[1] **Comments and information on further disclosure, see below.**

[2] **This column is optional when the references cannot pertain to all columns shown.**

STATEMENT OF ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCES (Statement II)

COMMENTS AND FURTHER DISCLOSURE

Number	Comments	Disclosure by schedule or note or on the financial statements	
		Obligatory	**Optional**
General	In accordance with paragraph 5(iii) of the Accounting Standards, all items which are material enough to effect evaluations or decisions should be disclosed in footnotes.		
1		Disclose material amounts held in non-convertible currencies.	Breakdown by cash, bank-current/deposit, location, etc. Breakdown by currency held.
2		Disclose market value if different from carrying amount. Disclose details of cash pool/investment portfolio.	
3	Other accounts receivable or accounts payable may be shown separately or grouped under the major heading "other" as prescribed by the basic texts or resolutions or depending on materiality.		
4		For the general fund, for assessed contributions receivable from member States, provide detailed listing by member State, identifying arrears including those payable in instalments.	
5	Balances due from other funds managed by the organization.		
6			Detailed schedule or note.
7	Includes inventories (other than non-expendable equipment etc.) deferred charges and inter-office transactions pending processing.	Disclose on statement or by schedule or note depending on materiality.	
8		Disclose value of such property and the method of valuation (cost, valuation or nominal). Disclose costs incurred during construction, etc. (as per paragraph 49(v) and 51 of the Accounting Standards). Disclose amounts and timing of commitments for acquisition of land or buildings (as per paragraph 52 of the Accounting Standards).	
9		Disclose inventory value of non-expendable equipment, furniture and motor vehicles and the method of valuation (cost or valuation).	
10			Detailed schedule or note, by member State.
11		Disclose secured/unsecured borrowings with a summary of interest rates and repayment terms.	Disclose authority.
12	To be defined in statement of significant accounting policies (Note 2).		Specify according to period and type.
13	Balances due to other funds managed by the organization.		
14	Inter-office transactions pending processing.		Detailed schedule or note.
15		Give summary of movements on major funds and special accounts.	
16		Disclose on statement or by schedule or note depending on materiality.	
17		Disclose secured/unsecured borrowings with a summary of interest rates and repayment terms.	
18		Disclose: The nature of each capital fund and reserve account, the authority for establishing it, its authorized level, its sources of funding and the movements in its constituent funds. The value of any accumulated surplus or deficit, including, for organizations with assessed budgets, identifying the amounts actually available for distribution.	

APPENDIX IV A (Option A)

STATEMENT OF CASH FLOW (Statement III)
[Indirect method]
for the period ending [date]
(Expressed in [currency of account])

	[Financial Period]	
	[Current]	[Prior]
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net excess (shortfall) of income over expenditure (Statement I)		
(Increase) decrease in contributions receivable		
(Increase) decrease in other accounts receivable		
(Increase) decrease in other assets		
(Increase) decrease in inter-fund balances receivable		
Increase (decrease) in contributions or payments received in advance		
Increase (decrease) in unliquidated obligations		
Increase (decrease) in accounts payable		
Increase (decrease) in other liabilities		
Increase (decrease) in inter-fund balances payable		
Increase (decrease) in balances on funds and special accounts		
Less: Interest income		
Plus: Interest expense		
Currency exchange adjustments [optional, offset by similar category below]		
NET CASH FLOWS FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in investments		
(Increase) decrease in land and buildings		
Increase (decrease) in borrowings		
Plus: Interest income		
Less: Interest expense		
Currency exchange adjustments [optional, offset to similar category above]		
NET CASH FLOWS FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Savings on or cancellation of prior periods' obligations		
Transfers (to) reserves		
Transfers from reserves		
Transfers (to)/from other funds		
Credits to member States		
Other adjustments to reserves and fund balances		
NET CASH FLOWS FROM FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS		
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD		
CASH AND TERM DEPOSITS, END OF PERIOD		

APPENDIX IV B (Option B)

STATEMENT OF CASH FLOW (Statement III)
[direct method]
for the period ending [date]
(Expressed in [currency of account])

	[Financial Period]	
	[Current]	[Prior]
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts		
Assessed Contributions		
Voluntary Contributions		
Revenue producing activities		
Interest received		
Miscellaneous income		
Other receipts		
Transfers from operating reserves		
Payments		
Staff costs		
Pension & Other termination/Retirement Benefits		
Acquisitions –furniture and equipment		
Operating expenses		
Payments to suppliers (for revenue producing activities)		
Other payments		
Transfer to operating reserves		
Payments to Member States relating to Contributions		
Payments with respect to prior periods		
NET CASH FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land and buildings		
Proceeds from sale of land and buildings		
Purchase of investments		
Proceeds from sale of investments		
Investment income		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Repayment of borrowings		
Settlement of interfund balances		
Interest paid		
NET CASH FROM INVESTING AND FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS		
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD		
CASH AND TERM DEPOSITS, END OF PERIOD		

APPENDIX V

STATEMENT/SCHEDULE OF APPROPRIATIONS

for the period ending [date]

(Expressed in [currency of account])

Description of appropriation section or programme[1]	Appropriations				Expenditure			Balance[5]
	Original	Supplementary/ Other adjustments[2]	Transfers[3]	Revised	Disbursements	Unliquidated obligations[4]	Total[4]	

1 To be presented in same detail as approved budgets.

2 For use according to the requirements of the organization. "Other adjustments" could include such items as other credits, tax equalization transfers, etc.

3 Provide explanatory notes.

4 For use according to the requirements of the organization. "Unliquidated obligations" should include accounts payable amounts which have been expensed.

5 For use according to the requirements of the organization.