

## UNICEF’s new Donor Financial Statements

From 1 January 2016, **UNICEF has changed its financial reports (both annual certified and interim uncertified reports) to partners contributing financial resources to UNICEF (resource partners)** as part of its commitment to greater transparency and accountability. These efforts will make information about aid spending easier to access, use and understand while supporting on-going efforts to make the agency more efficient, responsive, collaborative and better able to deliver on its commitments to children. In addition, financial information in the interim and annual statements is now presented on the same basis (both reports will show identical expenditures if they are generated for the same grant and period).

### A. Certified Financial Statements:

The new Certified Financial Statements provide financial information to UNICEF resource partners for any contributions provided to UNICEF starting 1 January 2016 and or for all reporting periods in 2016 and beyond. The new statement will provide more detailed information compared with the Certified Financial Statements that are issued for contributions received prior to 2016. These statements are issued, signed and certified by the UNICEF Comptroller on an annual basis covering the previous calendar year period.

### What has changed in the Certified Financial Statement?

- The top portion of the Certified Financial Statement (i.e. “Status of Contribution” and “Summary of Expenditures”) will remain the same.
- **The only change is that refunds are now separated out as shown in Figure 1 below:**

UNITED NATIONS CHILDREN’S FUND (UNICEF)  
OTHER RESOURCES CONTRIBUTION RECEIVED FROM  
CERTIFIED STATEMENT OF ACCOUNT AS OF 30 NOVEMBER 2015 IN US DOLLARS



#### Status of Contribution

<b>External Reference:</b>		
Description:	Strengthening Mental Healthcare for Children - Viet Nam	
Contribution Reference:	SC140115	
Effective Date:	01.02.2014	
Expiry Date:	31.12.2015	
Recipient Office(s):	Vietnam	
Agreement Currency:	USD	
Agreement Amount:	USD	250,000.00
Funds Received:	USD	250,000.00
Refunds:	USD	0.00
Funds Receivable:	USD	0.00

#### Summary of Expenditures (USD)

Description	Cumulative Expenditure
Programmable Expenditure:	136,341.05
Indirect support cost 7%:	9,543.87
<b>Total:</b>	<b>145,884.92</b>
Funds Received in USD:	250,000.00
<b>Unspent Balance:</b>	<b>104,115.08</b>

Figure 1

- The lower portion of the Certified Financial Statement (i.e. “Details of Expenditures”) has been updated as shown in Figure 2 below.

Expenditures are grouped into the UNICEF standard expenditure categories as follows:

- Staff and other personnel costs
- Supplies, commodities and materials
- Equipment, vehicles and furniture
- Contractual services
- Travel
- Transfers and grants to counterparts
- General operating and other direct costs
- Indirect support costs (recovery cost)

Description	Incurring Expense		Cash Advances and Prepayments	Cumulative Expenditure	Commitments*
	2014-2014	2015			
Staff and Other Personnel Costs	0.00	43,390.83	0.00	43,390.83	0.00
Contractual Services	0.00	6,064.24	0.00	6,064.24	62,405.53
Travel	0.00	522.13	0.00	522.13	0.00
Transfers and Grants to Counterparts	0.00	3,782.31	80,076.79	83,859.10	0.00
General Operating + Other Direct Costs	0.00	2,504.75	0.00	2,504.75	0.00
<b>Total Programmable Cost</b>	<b>0.00</b>	<b>56,264.26</b>	<b>80,076.79</b>	<b>136,341.05</b>	<b>62,405.53</b>
Indirect support cost 7%	0.00	3,938.50	5,605.38	9,543.87	
<b>Total</b>	<b>0.00</b>	<b>60,202.76</b>	<b>85,682.17</b>	<b>145,884.92</b>	

Figure 2

- A:** Incurred Expenses have been split in 2 columns, displaying the prior years’ and current year’s expenses respectively.
- B:** Items such as cash advances (e.g.: unliquidated Direct Cash Transfers) and rental prepayments are displayed under this column for greater clarity.
- C:** The total of columns A and B is reflected as “Cumulative Expenditure”, as shown in column C above, in the statement.
- D:** Commitments, such as open purchase orders and travel advances are displayed separately.
  - Commitments are no longer included in expenditures.
  - Indirect support costs are no longer calculated on commitments.

## B. Uncertified Financial Statements

The uncertified **Donor Statement by Activity** replaces the previous “Uncertified financial statements” (particularly the Funds Utilisation Report – FUR). These reports are prepared by UNICEF Country Offices for submission to resource partners on an interim ad-hoc basis.

### What has changed in the Uncertified Financial Statement?

- Similar to the utilisation based reports, this new report will show outcomes, outputs and activities.

- **The main differences between the Donor Statement by Activity and the previous utilisation based reports (FUR) are as shown in Figure 3 below:**
  - Commitments are not included in the Donor Statement unless they represent approved purchase orders.
  - Open (i.e. undelivered) purchase orders and travel advances approved but not paid are not included within expenditures but are disclosed in a separate “Commitments” column (as per the certified statement).
  - “Incurred expenses” are split between the current year and prior year’s column (as per the certified statement).
  - Outstanding (i.e. unliquidated) cash transfers and outstanding (i.e. unexpensed) prepayments are now disclosed separately in a new column labelled “Outstanding DCT and prepayments” column (as per the certified statement).
  - The Donor Statement shows the indirect support costs (also referred to as recovery costs) charged to the grant. The indirect support costs are calculated by multiplying the cost recovery rate for the grant by the cumulative expenditure.

DONOR STATEMENT BY ACTIVITY (UNCERTIFIED) FROM 01 JANUARY 2015 TO 05 JANUARY 2016 IN US DOLLARS Page 2 of 2

Details of Expenditures by Activity - Office:		Guinea Bissau				
Outcome / Output / Activity Description	Incurred Expense		Cash Advances and Prepayments	Cumulative Expenditure	Commitments*	
	2013-2015	2016				
Outcome 002 CHILD SURVIVAL	21,106.12	0.00	0.00	21,106.12	711.00	
Output 015 QUALITY HEALTH CARE	21,106.12	0.00	0.00	21,106.12	711.00	
Activity 001 MONITORING AND EVALUATION / INTERNATIONAL	283.44	0.00	0.00	283.44	0.00	
General Operating + Other Direct Costs	283.44	0.00	0.00	283.44	0.00	
Activity 002 STRENGTHENING ROUTINE IMMUNIZATION AND	20,719.02	0.00	0.00	20,719.02	0.00	
Supplies and Commodities	10,650.85	0.00	0.00	10,650.85	0.00	
Travel	1,799.02	0.00	0.00	1,799.02	0.00	
Transfers and Grants to Counterparts	8,645.54	0.00	0.00	8,645.54	0.00	
General Operating + Other Direct Costs	(376.39)	0.00	0.00	(376.39)	0.00	
Activity 003 SUPPORT ACTIVITIES OF MALARIA PREVENTION	0.00	0.00	0.00	0.00	711.00	
Supplies and Commodities	0.00	0.00	0.00	0.00	711.00	
Activity 004 SUPPORT THE ACTIVITIES OF REDUCING MATERNAL	103.66	0.00	0.00	103.66	0.00	
Supplies and Commodities	103.66	0.00	0.00	103.66	0.00	

Figure 3

- As a result of these changes, the new donor Statement by Activity and the previous utilization based reports are not directly comparable. (e.g. fund balances are potentially shown as higher in the new reports due to the exclusion of undelivered purchase orders from the commitments).

### C. **Aspects remaining unchanged**

- Certified statements will continue to be issued annually as of 31 December, by 30 June of the following year.
- Final statements will continue to be produced within 18 months of grant expiry.
- These statements will continue to be produced in accordance with the above schedule; however the format of these statements will change as outlined above.

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For any questions on the new donor statements, kindly contact your local UNICEF focal point.