



## 1.0 SCOPE OF THIS SOP

### Sections:

- A. Background - House Banks Concept
- B. Overview - Bank Signatories
- C. Procedure for Appointing Bank Signatories
- D. Instructions for Bank Signatories
- E. Quality Assurance Requirements

### The following areas are not in scope for this SOP:

Operation of Cash Journals (Petty Cash Accounts) – BFMS SOP 110

Responsibilities of a Cashier

## 2.0 REFERENCES IN CONJUNCTION WITH THIS SOP

Financial Regulations and Rules of the UN

Umoja Job Aid Guide

BFMS Procedures Manual

## 2.0 ROLES INVOLVED IN THIS SOP

Bank signatories (Umoja TR.02)

Cashiers (Umoja TR.03)

### Section A: Background - House Banks Concept

1. The UN operates a 'House Bank' system whereby all bank accounts are controlled centrally by UNHQ, with operational responsibilities for some House Banks delegated to OAHs (e.g. UNON).
2. Bank Accounts can only be opened/closed by UNHQ Treasury. OAHs/Agencies are not authorized to open new accounts or receive funds into any account other than an officially designated UN House Bank Account.
3. All bank accounts in Umoja are known as House Banks, but, **solely for the purpose of this SOP and ease of reference**, House Banks can be classified into three distinct types:



- a. Fully-operational accounts used for day-to-day transactions, both debits and credits (henceforth referred to as '**Main House Banks**').
- b. Accounts used occasionally for disbursement of DSA and cheque issuance (e.g. Paris, Montreal and Greece - henceforth referred to as '**Cash and Cheque Accounts**').
- c. Accounts used by Agencies for receipt of contributions (henceforth referred to as '**Contributions Only Accounts**').

**Note:** No Agency staff members will be appointed as a Bank Signatory on Contributions Only Accounts and all permissions previously afforded to Bank Signatories of UNEP and UN-Habitat in respect of these accounts have been formally withdrawn (from 1<sup>st</sup> June 2015).

4. In order to effectively manage and maintain these House Banks, a number of Cashiers and Bank Signatories have been appointed to work under the direction of The Controller (Delegated Authority for UNON-managed Accounts has been given to DAS, UNON).
5. UNON, UNEP and UN-Habitat will be required to assist in maintaining these accounts by nominating suitable staff members to act as Bank Signatories.

**Note:** In reality, all accounts will be managed from Nairobi (Treasury Services Unit, BFMS) and the main functions for BS at outposted offices will be one of cheque signatory, safeguarding of cheque books and local bank liaison. All Bank reconciliations will be the responsibility of BFMS (see BFMS SOP 108).

## Section B: Overview - Bank Signatories

6. Formal Instructions for Bank Signatories are contained in Section D to this SOP; this Section provides an overview.
7. In addition to the professional officers working in TSU, UNON, a sufficient number of BS are required both in Nairobi and in OAHs to ensure Agencies always have capacity to:
  - Sign Cheques
  - Undertake BS actions in Umoja
  - Give Instructions to and enquire with banks (e.g. order new cheque books, obtain copies of statements, liaise with payment problems)

8. Bank Signatories should not sign, approve or release anything unless they are satisfied that payment requests are genuine and, where necessary, all supporting documentation is provided and is satisfactory. If BS are ever in doubt, they should seek guidance, in the first instance, from Chief TSU or Chief Accounts Section, UNON and, if necessary, raise their concerns with DAS, UNON (DAS delegates authority to Bank Signatories).
9. Cheque numbers are generated by Umoja. Although the system has the capability of printing cheques, the UN does not generally use this facility. In Nairobi, UNON Cashiers in TSU will normally write the cheques and bring them to the Bank Signatories for signature. For OAHs, UNON Cashiers will give instructions to local BS for the writing of cheques.
10. Regardless of the value of the cheque, all UN Cheques are required to be signed by two Bank Signatories. Additionally, if the cheque has been designated as 'OPEN', there would normally be a requirement for cheques to be signed twice; once in the area above the payee's name and once in the area designated for Signature.
11. There is often an additional requirement to provide signed letters of explanation or other documentation (e.g. forms) before banks will cash the cheques. Finally, banks may call Bank Signatories to confirm cheques are valid and that they signed the cheque.
12. In Nairobi, the Chief and the Deputy Chief of TSU will normally act as 1st and 2nd Bank Signatories. Only in the absence of either or both of these staff members will another Bank Signatory be required to sign cheques. If another staff member is required to sign, s/he will normally be the 2nd Signatory i.e. one of the TSU Bank Signatories will already have signed.
13. Bank Signatories should always exercise caution and should not be rushed into signing without undertaking appropriate checks. If cheques are brought to non-TSU Bank Signatories without a 1st Signature, an explanation should always be provided and extra care should be taken to check attachments and supporting documentation.
14. There are no official rules for undertaking checks but, generally, the following guidelines should be applied (Note: Bank Signatories should not sign a cheque if any of the following matters are a concern):
  - a. Is the cheque properly written out; words and figures matching, correct spelling?



- b. Is the cheque made out in the name of the person stipulated in the supporting documentation? (Note: do not sign any cheque made out to 'cash')
- c. Is the cheque made out in the correct currency and for the correct amount?
- d. Is the cheque the correct number i.e. matching the cheque number generated by Umoja?
- e. Is the supporting documentation authoritative i.e. approved by Chief of Accounts Section or Chief of TSU, UNON or by the Chief of Finance and Budget Section, UNSOS?
- f. For all hand-carried DSA (outside of the Gigiri complex), in excess of USD5,000 or equivalent, a certificate of acceptance of liability in respect of loss or injury must accompany the cheque and must be signed by both the cheque recipient and his/her supervising officer.

**Note:** For OAH's, DSA with a value in excess of \$5,000 (or local equivalent) for meetings held outside of normal operating bases (secure compounds) should always be delivered by courier services.

## Section C: Procedure for Appointing/Removing Bank Signatories

- 15. Unless special authority is obtained from The Controller's Office, only Professional Staff can act as Bank Signatories for UN House Banks. DAS, UNON has delegated authority to appoint Bank Signatories for UNON, UNEP and UN-Habitat but formal notification to banks is made by UNHQ Treasury.
- 16. In accordance with Financial Rule 104.5 the bank signatory function is antecedent to, and distinct from, the approving function. Accordingly, officials designated as Bank Signatories in accordance with Financial Rule 104.5, cannot exercise approving authority as assigned in accordance with Financial Rule 105.6.
- 17. When a change to a Bank Signatory panel is required (e.g. appointment/removal of a Staff Member), Agency Headquarter offices are to submit a memo to DAS, UNON justifying the change request.



- a. Appointment. Where a new Bank Signatory appointment is being requested, Annex A and supporting documentation is to accompany the request.
  - b. Removal. A memo is to be sent informing DAS, UNON of the requirement to remove a staff member from a Signatory Panel.
18. On receipt of the memo, DAS UNON will approve/reject the Appointment/Removal of the individual and inform TSU, BFMS. TSU will be responsible for co-ordinating changes to Bank Signatory Panels with UNHQ, and for preparation of draft letters to banks for submission to UNHQ.
19. UNHQ will be responsible for issuing formal letters to banks, issuing/removing powers of Delegation of Authority to individual Bank Signatories and arranging changes to Umoja User Access Mapping.
20. In addition to signing and returning the formal Delegation of Authority letter, Bank Signatories may be required to submit their specimen signatures on official bank documents and provide identification paperwork directly to the bank.

## Section D: Instructions for Bank Signatories

21. Responsibilities as Bank Signatories are personal and cannot be delegated. Bank Signatories will be held personally accountable for their actions in performance of these duties.
22. In addition to strictly following the Financial Regulations and Rules of the UN and any other instructions issued by The Controller or UNHQ Treasury, Bank Signatories are responsible for ensuring that the following procedures are adhered to:
- a. verify before signing a cheque that it is pre-numbered, dated and drawn to the order of a correct payee matching the accompanying disbursement voucher and original invoice, ensure that the cheque is not made payable to “bearer” or “cash”, and that the invoice is clearly marked as PAID.
  - b. ensure that cheques are prepared and signed in ink or other indelible writing technique and under no circumstances sign a cheque that is blank;
  - c. confirm that any alteration on a cheque, voucher, or invoice, however minor, has been initialed by the appropriate responsible officer to indicate the propriety of the change. Ideally, a cheque should not be altered at all even if it is initialed;



- d. when signing payment orders instructing banks to make payments charging the bank account, ensure that the payees name, the amount and banking details are accurate and in line with the supporting documents. Attention should be paid to include appropriate payment routing information in order to make payments accurately, efficiently and economically;
- e. when making electronic payments, ensure that the payment instructions in the system are in line with the supporting documents and accompanying disbursement voucher. Attention should be paid to include appropriate payment routing information (e.g. tax IDs) in order to make payments accurately, efficiently and economically;
- f. ensure that passwords are never shared and are kept in secure custody;
- g. ensure that cheque books and other bank instruments (e.g. electronic bank tokens) are kept in secure custody;
- h. For Main House Banks at OAHs, submit a monthly forecast of cash requirements to TSU, BFMS in accordance with notified timetable;
- i. For Cash & Cheque Accounts at OAHs, submit a forecast of cash requirements to TSU, BFMS, giving at least 6 weeks' notice.
- j. Liaise with local bank staff on behalf of UNHQ/UNON to resolve issues as required (e.g. bank reconciliation issues).
- k. When required and authorized by TSU, BFMS, act as Cashier and/or Bank Signatory in Umoja on payable documents and release of payment document/batches.

**Note:** Should Bank Signatories have any difficulty regarding the interpretation or enforcement of the Financial Regulations and Rules and related instructions of the United Nations, the UNON Treasurer or Chief of Accounts Section should be consulted prior to the related bank signatory action being taken.



## Section E: Quality Assurance Requirements.

23. The key Quality Assurance (QA) Requirements are as follows:

- a. To ensure that details of all Bank Signatory holders are up-to-date, a quarterly review of all Bank Accounts and Bank Signatories is to be initiated by TSU, BFMS and results submitted to UNHQ Treasury.
- b. Copies of all documentation relating to the setting up and maintenance of Bank Accounts, including Bank Signatory appointment documentation and subsequent changes, are to be retained on file by TSU, UNON and available for Audit at any time.
- c. Agencies are to undertake an annual review of all Bank Signatory Appointments and certify the conditions of Financial Rules 104.5 and 105.6 are being observed and that Umoja Access.
- d. Before recommending appointments, Agencies are to certify that Umoja role-mapping (UAM) has been reviewed for each individual BS, and proper segregation of roles and responsibilities is in place.

### Annexes:

A. Request for Addition of New Bank Signatory

Office:

Proposed for: Bank Signatory Verifier

Full Name:				Index No.	
Specimen Signature: (signature confirms information contained herein)				SAP user ID	
Functional Title:			Level:		
EOD (UN or UN System): [dd/mm/yy]		EOD (current office): [dd/mm/yy]		Contract Type:	
Entry Organization:		Exp. Date (if applicable): Prospect for renewal if expiring within six months:			
Justification for Request:					
Prior post(s)/experience (please include any breaks-in-service)					
Company/ Organization	Title	Level	Dept./Division	Dates	
				From	To
Effective Date for bank signatory/Verifier:					
Personal Reference:					
Name: [Name/Title]					
Office:			Tel No.:		
Requesting Office: Name: [Name/title]					
Signature Date:					

Please submit form to Treasury.