

# **FIN.SOP.IV.016**

## **Reimbursable Procurement**

### **(FNM/ACT)**

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***FNM Standard Operating Procedure***  
**Target Audience: All Staff**

**DISCLAIMER**

Standard Operating Procedures (SOPs) provide a step-by-step guide for staff directly involved in the processing of administrative actions to support and facilitate the implementation of WHO policies and procedures. The SOPs are for guidance only; they are neither authoritative nor binding. The SOPs reflect the policies and procedures of WHO at the time of writing; however, policies and procedures change from time-to-time. In the case of a conflict between the SOPs and the WHO eManual provisions, the WHO eManual provisions take precedence.



## 1. INTRODUCTION

### 1.1. Overview/Description

The Organization procures supplies, equipment, books and other items on behalf of the governments, the United Nations (UN) and its agencies and nongovernmental organizations. This SOP provides guidance in the creation and monitoring of awards and applying receipts related to reimbursable procurement.

### 1.2. General Guidance / Business Rules

The provisions for reimbursement procurement of supplies, equipment, books and literature made on behalf of the governments, the UN and its specialized agencies, including nongovernmental organizations (NGOs) for health project activities, are laid down in resolutions EB33.R44 and WHA28.25. EB33.R44 allows for a 3% PSC on the net cost of the items purchased for all non-emergency supplies and 0% PSC for emergency purchases. When requests are received for purchases to be made on behalf of the United Nations and specialized agencies (e.g. World Bank, Int'l Development Bank, Int'l Atomic Energy Agency), the service charge of 3% is not normally applied but if considered to be warranted, it is negotiated and may be calculated either as a percentage of purchases or on the basis of the extra costs to which WHO is subjected. (At the time of writing this SOP, the PSC charged for purchased in behalf of UN entities is 7%.)

### 1.3. Reference Material

#### 1.3.1. WHO eManual

- IV.3 Award Creation and Management
- VI.3 Reimbursable Purchases

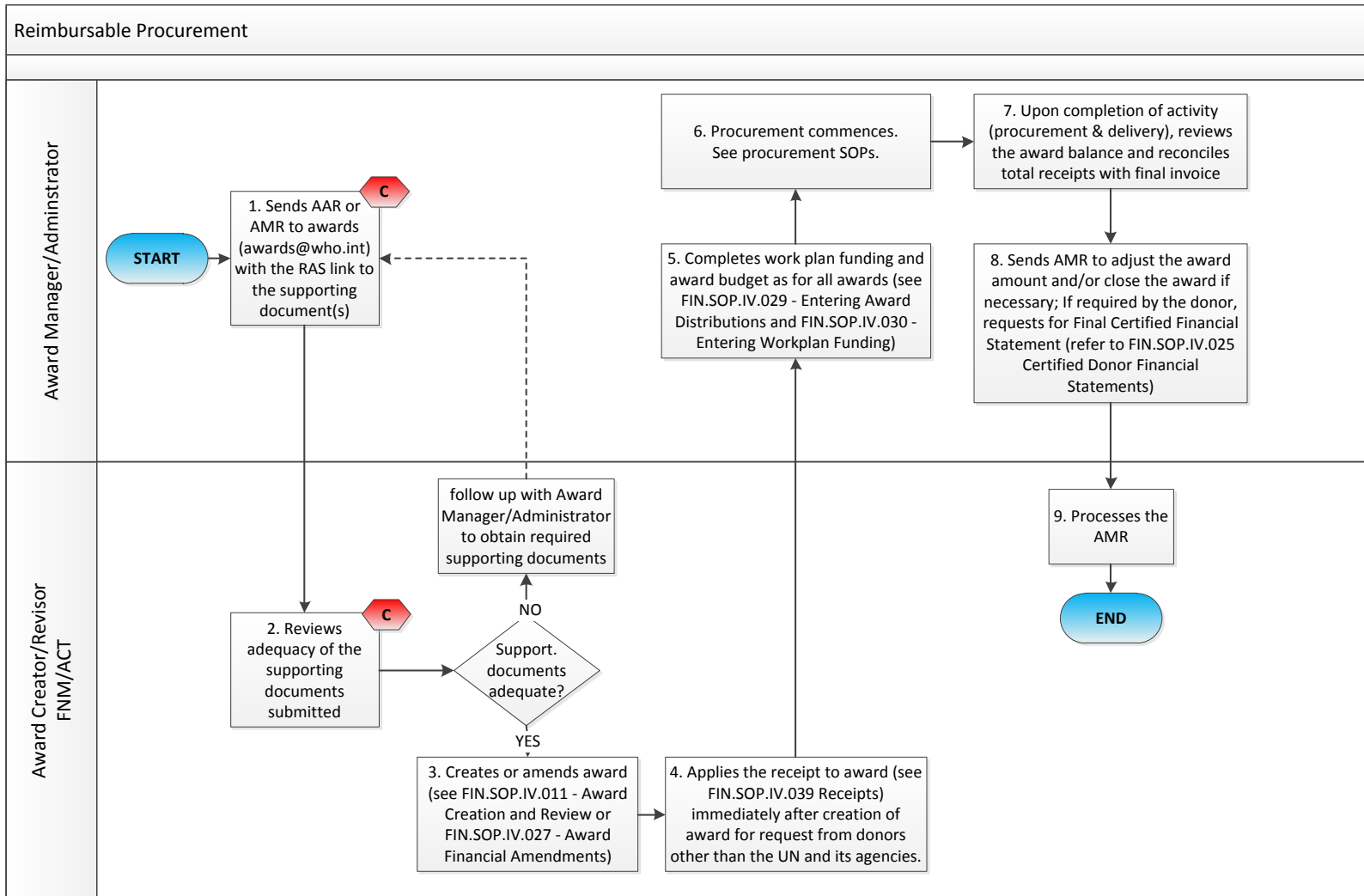
**1.3.2. Related SOPs**

- FIN.SOP.IV.011 Award Creation and Review
- FIN.SOP.IV.027 Award Financial Amendments
- FIN.SOP.IV.029 Entering Award Distribution
- FIN.SOP.IV.030 Entering Workplan Funding
- FIN.SOP.IV.010 Award end to end
- FIN.SOP.IV.039 Application of Receipts

**1.3.3. Others**

- Resolutions EB33.R44
- WHA 28.25

2. PROCESS FLOW



### 3. PROCESS STEPS

Step	Control (C)	Type	Process	Role / Responsibility
1	C	Offline	Sends Award Activation Request (AAR) or Award Amendment Request (AMR) to awards@who.int) with the <u>RAS link to the supporting document(s)</u> . The distribution is provided with the AAR or AMR. (Refer to FIN.SOP.IV.011 Award Creation and Review or FIN.SOP.IV.027 Award Financial Amendments.)	Award Manager/ Administrator
2	C	GSM	Reviews adequacy of the supporting documents submitted: <ul style="list-style-type: none"> <li>• If procurement is on behalf of the UN or its agencies (except UNDP): copy of Purchase Order (PO) and Final Invoice (created by OSS/PRS and the original invoice mailed to the concerned UN entity), proof of cash receipt is <b>not</b> required</li> <li>• If procurement is on behalf of the governments, NGOs, UNDP: copy of the PO, Proforma Invoice, proof of cash receipt is required</li> </ul>	Award Creator/ Revisor
3		GSM	If supporting document is adequate, creates or amends award (refer to FIN.SOP.IV.011 - Award Creation and Review or FIN.SOP.IV.027 - Award Financial Amendments) otherwise follow up with the Award Manager/Administrator to obtain required supporting documents	Award Creator/ Revisor
4		GSM	Applies the receipt to award (refer to FIN.SOP.IV.039 Application of Receipts) immediately after creation of award for request from donors other than the UN and its agencies.  For UN and its agencies, the payment is normally received after the delivery of	Award Creator/ Revisor

			items. Application of receipts follows the normal procedure.	
5		GSM	Completes work plan funding and award budget as for all awards (refer to FIN.SOP.IV.029 - Entering Award Distributions and FIN.SOP.IV.030 - Entering Workplan Funding)	Award Manager/ Administrator
6		GSM	Procurement commences (refer to SOPs on procurement)	Award Manager/ Administrator
7		Offline	Upon completion of activity (procurement & delivery), reviews the award balance and reconciles total receipts with final invoice	Award Manager/ Administrator
8		Offline	Sends Award Amendment Request (AMR) to adjust the award amount and/or close the award if necessary; If required by the donor, requests for Final Certified Financial Statement (refer to FIN.SOP.IV.025 Certified Donor Financial Statements)	Award Manager/ Administrator
9		GSM	Processes the AMR	Award Creator/ Revisor

**4. KEY RISKS & COMPENSATING CONTROLS**

<b>Risks</b>	<b>Compensating Controls</b>	<b>Process Step</b>
Reimbursable procurement award is created without having received the cash from the Donor.	Award Manager/Administrator uploads all required supporting documents (including proof of cash received) and Award Creator/Revisor verifies adequacy of supporting documents.	1, 2
Award Manager does not regularly reconcile invoices to receipts and send AMR to update award so award balance is over/under stated	Award Manager responsibility	Not addressed in this SOP