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To: The United Nations Emergency Force, and  
Members of the Staff of the United Nations

Financial Rules for the Special Account for the  
United Nations Emergency Force

Article I - Authority, Applicability and Definitions

- 101.1 These rules are established in accordance with the provisions of paragraph 4 of resolution 1122 (XI) adopted by the General Assembly on 26 November 1956. They govern the administration of the United Nations Emergency Force Special Account (hereinafter referred to as the "Special Account"), established under authority of the above resolution for the purpose of meeting the expenses of the United Nations Emergency Force (hereinafter referred to as UNEF). They apply in lieu of the United Nations Financial Regulations and Rules except as provided under article XI and article XII herein.
- 101.2 For the purpose of these rules:
- (a) "Commander" shall mean the officer appointed as "Chief of the United Nations Command" by the General Assembly;
  - (b) "Chief Administrative Officer" shall mean the official designated as such by the Secretary-General of the United Nations for the performance of that function;
  - (c) "Chief Finance Officer" shall mean the official designated as such by the Secretary-General of the United Nations for the performance of that function;
  - (d) "Controller" shall mean the Controller of the United Nations or his authorized delegate;
  - (e) "Director of General Services" shall mean the Director of General Services at United Nations Headquarters or his authorized delegate.

- 101.3 The financial period is from 1 January through 31 December, except that the period from 5 November 1956 through 31 December 1957 is designated as the "first financial period".

Article II - Sources of Funds

- 102.1 The Special Account shall be financed in accordance with arrangements approved by the General Assembly for each financial period.
- 102.2 Pending receipt of contributions by Member States to the Special Account, the Controller acting on behalf of the Secretary-Secretary is authorized to advance to the Special Account from the Working Capital Fund of the United Nations such sums, not exceeding in total the amount authorized by the General Assembly, as may be required to meet current expenses chargeable to the Special Account.
- 102.3 The Secretary-General, with the concurrence of the Government concerned, may treat as an advance to the Special Account the costs of services and supplies chargeable to the Special Account which have been furnished by a Member State.
- 102.4 In addition to the advances from the United Nations Working Capital Fund referred to in Rule 102.2 above, arrangements may be made where necessary for loans to the Special Account from other appropriate sources, including other funds under the custody or control of the Secretary-General. Any such loan shall require the personal approval of the Secretary-General.
- 102.5 Loans from other funds under the custody or control of the Secretary-General may be made only if the current operational programmes for which such funds were intended will not be affected by the proposed loan. The Controller shall, in consultation with the Office primarily concerned with the implementation of the operational programme involved, ascertain that this condition is fulfilled and shall make appropriate recommendation to the Secretary-General.
- 102.6 The repayment of advances and loans to the Special Account shall constitute a first charge against contributions to the Special Account as they are received.

- 102.7 In the case of loans derived from funds under the custody or control of the Secretary-General other than the Working Capital Fund, the Controller shall arrange to submit appropriate reports to the authority competent to determine the disposition of the funds involved. These reports shall include such details as may be required to show the necessity for the loans and the fulfilment of any conditions applicable thereto.

Article III - Estimates and Expenditure Authorizations

- 103.1 Estimates of expenditures as required by the General Assembly shall be prepared on behalf of the Secretary-General by the Controller in consultation with the Commander. They shall be presented on a gross basis, in U.S. dollars.
- 103.2 The estimates shall be divided into parts and sections, and explanatory statements shall be provided for each object of expenditure.
- 103.3 (a) The expenditure authorizations voted by the General Assembly (hereinafter referred to as "authorizations") constitute the necessary authority for the Secretary-General to incur obligations and make expenditures for the purposes stated.
- (b) The authorizations are available for obligation during the financial period to which they relate. At the end of that period any unencumbered balance of authorizations shall be credited to a surplus account in accordance with Rule 104.1.
- (c) The authorizations remain available for five years following the end of the financial period to which they relate, to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of that period.
- (d) At the end of the five year period referred to in paragraph (c) above, any unliquidated obligations of the financial period shall be cancelled, or, when the obligation remains a valid charge, transferred as an obligation against current authorizations.
- 103.4 Except for such specific limitations as the General Assembly may impose for each financial period, transfers may be made between budget sections by the Controller acting on behalf of the Secretary-General. Such transfers shall be reflected in the financial statements submitted under the provisions of article X herein.

- 103.5 Outstanding obligations retained against authorizations of a previous financial period in accordance with Rule 103.3 (c) shall be reviewed periodically. Obligations reflected in the accounts which, in the opinion of the Controller, are no longer valid obligations, shall be cancelled from the accounts forthwith.

#### Article IV - Surpluses

- 104.1 Unencumbered balances of authorizations, any savings in liquidating obligations of prior financial periods, and any miscellaneous income shall be credited to a surplus account.
- 104.2 Proceeds from the rental, sale or other disposition of surplus property of UNEF, the sale of miscellaneous unclaimed property, the rendering of services by UNEF, exchange gains (net) and cash overages (net) shall be taken to account as miscellaneous income and credited to the surplus account.
- 104.3 The accumulated credits in this surplus account shall first be utilized in repayment of advances and loans to the Special Account and any balance thereof utilized in a manner authorized by the General Assembly.

#### Article V - Administration of Allotments

- 105.1 Within the authorizations, the Controller shall make allotments to the Commander and to the Office of General Services at United Nations Headquarters in writing.
- 105.2 Obligations and expenditures shall be ordered or authorized only for the purposes for which the allotments have been made, and subject to such regulations, rules and instructions as may be applicable.
- 105.3 No obligations or expenditures shall be ordered or authorized exceeding the amount of allotments made available for such obligations and expenditures.
- 105.4 The Chief Administrative Officer is appointed as Certifying Officer for all allotments made to the Commander. The Controller shall designate in writing alternate certifying officers to act for the Certifying Officer in his absence.

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- 105.5 A secretariat member of senior status in the Office of General Services shall be appointed as Certifying Officer by the Controller for all allotments made to that Office. Alternates may be appointed in the same manner to act for the Certifying Officer in his absence.
- 105.6 A Certifying Officer shall be responsible for certifying that every obligation or expenditure proposed to be met from the Special Account:
- (a) is in accord with existing regulations, rules and instructions;
  - (b) can be met from the available balance in the appropriate allotment; and
  - (c) is reasonable and in accord with the purposes for which the allotment was made.
- 105.7 (a) Appropriate documents in support of proposed obligations and expenditures, together with such further explanations and justifications as may be required, shall be submitted in the field by the Chief Administrative Officer to the Chief Finance Officer, and at United Nations Headquarters by the Office of General Services to the Controller.
- (b) In the field the Chief Finance Officer may, on adequate grounds, disallow any proposal for an obligation or expenditure. Should there be a conflict of opinion between the Chief Administrative Officer and the Chief Finance Officer as to such proposal, and the circumstances preclude referral of the question to United Nations Headquarters, the Chief Finance Officer shall state his objections in writing to the Chief Administrative Officer. The latter may by reply in writing request approval nevertheless, and the Chief Finance Officer shall then accede to the request and shall subsequently report the facts to the Controller with a copy of the report to the Chief Administrative Officer. A conflict of opinion, in similar circumstances, between the Commander and the Chief Administrative Officer shall be resolved in the same manner.
- (c) The Controller may, on adequate grounds, disallow any proposal submitted to him for an obligation or expenditure.
- 105.8 No contract, agreement, or undertaking of any nature for an amount exceeding \$1,000 shall be entered into until credits have been reserved in the accounts by the Controller or Chief Finance Officer to meet any expenditures which may accrue in the financial period



- 105.9 (a) The Controller may approve commitments against future financial periods, when they are necessary in the interests of UNEF. Such commitments shall normally be restricted to administrative requirements of a continuing nature, such as lease of premises or equipment, or essential forward ordering of supplies and equipment.
- (b) A memorandum record shall be maintained of all such commitments, which shall constitute a first charge against the relevant authorizations as these are made available.
- 105.10 Unobligated balances of allotments may be decreased or withdrawn by the Controller. All such adjustments shall be notified in writing.
- 105.11 All increases in obligations shall be subject to the same rules as apply to the ordering, authorizing or incurring of original obligations.
- 105.12 When any obligation previously recorded is for any reason decreased (other than by the normal process of payment) or cancelled, the Controller or Chief Finance Officer shall be immediately informed in writing, and the accounts shall be adjusted.

#### Article VI - Contracts and Purchases

- 106.1 Contracts for the purchase of services, supplies, equipment or other requirements shall be entered into for or on behalf of UNEF in the field by the Commander or a responsible official of UNEF designated in writing by him and at United Nations Headquarters and branch offices only by duly authorized officers.
- 106.2 (a) No contracts for the purchase outside the mission area (or in the case of a sub-office outside the country in which the sub-office is located) of services, supplies, or equipment shall be entered into by UNEF without prior approval by the Director of General Services.
- (b) No contracts involving commitments of \$5,000 or more shall be entered into until the Committee on Contracts has rendered advice to the Director of General Services.
- 106.3 Except as provided in Rule 106.4, contracts for supplies, equipment and other requirements shall be let after competitive bidding, and tenders shall be invited by advertising.

- 106.4 (a) Contracts may be awarded without advertising;
- (i) when the proposed contract involves commitments of less than \$1,000;
  - (ii) when the exigency of the service does not permit the delay attendant upon advertising.
- (b) Contracts may be awarded without advertising or competitive bidding:
- (i) in case of procurement of supplies, equipment or services from and through a Government;
  - (ii) when the proposed contract involves commitments of less than \$500;
  - (iii) when the prices or rates are fixed pursuant to legislation or by regulatory bodies;
  - (iv) when the Commander or the Director of General Services, as appropriate, has approved a standardization of equipment or supplies requiring procurement from one source of supply;
  - (v) when the exigency of the service does not permit the delay attendant upon the issue of invitations to bid;
  - (vi) for proprietary articles, perishable supplies or other supplies or services where similar conditions exist, when the Commander or the Director of General Services, as appropriate, determines that it is not practical to obtain competition;
  - (vii) when the proposed contract relates to professional services, medicines, medical supplies, hospital or surgical supplies or prosthetic appliances;
  - (viii) when the Commander or the Director of General Services, as appropriate, determines that competitive bidding does not give satisfactory results.
- 106.5 All bids shall be publicly opened at the time and place specified in the invitation to bid.
- 106.6 Contracts shall be awarded to the lowest acceptable bidder, provided that where the interests of UNEF so require, all bids may be rejected.

- 106.7 Purchases amounting to \$50 or more shall be effected by written contracts or written purchase orders specifying in detail:
- (i) in the case of goods - the exact description of the goods, the quantity required, the price of each article, the conditions of delivery and the terms of payment;
  - (ii) in the case of services other than those of Secretariat members the nature of the services, period covered, conditions of fulfilment, the amount and terms of payment.
- 106.8 Except where normal commercial practice or the interest of UNEF so requires, no contract or purchase order shall be made on behalf of UNEF which requires payment in advance of the delivery of goods or performance of contractual services.
- 106.9 Each determination or decision required of an authorized purchasing officer by the provisions of these rules shall be supported by the written findings of such officer, whose findings shall be placed in the appropriate case file; and in cases of \$1,000 or more, shall also accompany the related obligating documents.
- 106.10 Contracts for locally recruited staff shall be approved by the Chief Administrative Officer, subject to such manning table or budgetary controls as may be established. The terms and conditions of service for such staff shall, to the extent practicable, follow the best prevailing practices in the locality.

Article VII.- Receipt, Management and Disbursement of Funds

- 107.1 (a) Only those officials designated by the Controller shall receive monies on behalf of the Special Account. An official receipt shall be issued in respect of all monies received.
- (b) Receipts shall be recorded in the accounts on the date remittances are received.
- 107.2 The funds of the UNEF Special Account shall be kept in banks approved by the Secretary-General for custody of United Nations funds. The Controller shall establish such official bank accounts as may be required and shall make arrangements for the designation of signatories to the accounts.



- 107.3 (a) The Controller may assign accounting rates of exchange;  
(b) Losses incurred as a result of the exchange of currencies may be offset against any exchange profits during the same financial period;  
(c) At the close of the financial period:  
(i) Any net profits from exchange shall be taken into account as miscellaneous income;  
(ii) Any net losses from exchange shall be charged to the authorizations of the Special Account for the current financial period.
- 107.4 (a) Only those officials designated by the Controller may approve payments from the Special Account;  
(b) Payments shall be made on the basis of supporting vouchers and other documents which ensure that the goods or services have been received in accordance with the documents establishing the obligation, that payment has not previously been made, and that the payment is properly due.  
(c) In addition to payments authorized under Rule 106.3 and notwithstanding paragraph (b) of this rule, either the Controller (or the Chief Finance Officer) may, when he deems it in the interests of the United Nations to do so, authorize progress payments.
- 107.5 Settlement of claims against the United Nations where there is legal liability arising from loss of or damage to property or death of or injury to persons shall require the approval of the Controller, except that the Chief Finance Officer may approve a settlement when:  
(i) The total amount claimed in the particular case is less than \$500; and  
(ii) The Chief Administrative Officer certifies that on the basis of competent legal advice there is apparent legal liability and that settlement would be in the best interests of the United Nations.
- 107.6 (a) Ex-gratia payments may be made in cases where, although in the opinion of the Office of Legal Affairs there is no legal liability on the United Nations, the moral obligation is such as to make payment desirable in the interests of the United Nations;

(b) The prior approval of the Secretary-General is required for ex-gratia payment when:

- (i) the amount exceeds \$1,000; or
- (ii) the proposal for payment originates in the Office of the Controller; or
- (iii) the recipient is a Secretariat member of the United Nations receiving a salary of more than \$5,000 net per annum.

(c) In other cases, ex-gratia payments may be made after approval by the Controller, except that approval of the Director of Personnel also shall be required if the recipient is a Secretariat member of the United Nations receiving a salary of \$5,000 net or less per annum.

(d) Authority may be delegated by the Controller to the Chief Finance Officer to approve ex-gratia payments recommended by the Chief Administrative Officer to persons other than members of the Secretariat in amounts of less than \$50 per payment. Any ex-gratia payments thus made shall be reported promptly by the Chief Administrative Officer to United Nations Headquarters.

107.7 Petty cash advances and Cashier's Fund advances may be made to officials designated by the Chief Finance Officer. The accounts therefor shall be maintained on an imprest system. The amount and purposes of each advance shall be clearly defined by the Chief Finance Officer.

107.8 Officials to whom cash advances are issued shall make use of such advances only for the purposes for which the advances were authorized and shall be personally responsible therefor. They shall render accountings as required by the Chief Finance Officer, which unless otherwise provided shall be not less frequently than once each month; and shall be in a position at all times to account for the advances.

107.9 (a) All disbursements shall be made by cheque except to the extent that cash disbursements may be authorized by the Chief Finance Officer.

(b) Disbursements shall be recorded in the accounts as of the date when the disbursement is made, that is, when the cheque is issued or cash is paid out.

107.10 Cheques shall be signed by two authorized signatories; provided that the Controller may, where he deems that adequate safeguards to the funds of the Special Account are provided, authorize the signature of cheques by one officer only, or use of facsimile signatures.

- 107.11 (a) The Controller may, after full investigation and on the advice of the Chief Finance Officer, authorize the writing off of losses of cash and the book value of accounts receivable and notes receivable deemed to be irrecoverable, except that the writing off of amounts in excess of \$1,000 requires the approval of the Secretary-General.
- (b) The investigation shall, in each case, fix the responsibility, if any, attaching to any official for the loss.

Article VIII - Receipt, Management and Disposal of Supplies, Equipment  
and other Property

- 108.1 (a) Complete and accurate records shall be maintained of supplies, equipment and other property received, issued, sold or otherwise disposed of, and remaining on hand. Separate records shall be maintained for supplies, equipment and other property belonging to the United Nations and to other owners.
- (b) The records maintained in respect of stores and property accounts shall in all cases indicate the official accountable therefor, namely the officer who is responsible for the control of property entrusted to him.
- 108.2 Physical inventories shall be taken of all supplies, equipment or other property of the United Nations or for which United Nations has accepted responsibility at such periods as may be necessary to ensure adequate control over such property.
- 108.3 The accountable officers shall report immediately to the Chief Administrative Officer and also to the Secretary of the UNEF Property Survey Board, the following cases with respect to supplies, equipment or other property of the UNEF:
- (1) Deficiencies of supplies, equipment and other property arising through loss, theft or destruction.
  - (2) Property which becomes surplus to operating requirements of UNEF or unserviceable through obsolescence or normal wear and tear.

- 108.4 (a) The UNEF Property Survey Board, shall consist of three Secretariat members of senior status appointed by the Commander to investigate and advice upon:
- (i) all deficiencies of supplies, equipment or other property lost through theft, negligence or other causes;
  - (ii) disposal of property which becomes surplus to the operating requirements of UNEF or unserviceable.
- (b) The report of the UNEF Property Survey Board shall indicate in each instance the degree of responsibility, if any, attaching to any individual for damages to or losses of property in question.
- 108.5 The recommendations of the UNEF Property Survey Board shall be submitted to the Property Survey Board at United Nations Headquarters through the Chief Administrative Officer. That Board will make recommendations to the Controller through the Director of General Services.
- 108.6 (a) The Controller may, after review in each case, authorize the write-off or disposal of UNEF property.
- (b) The Chief Administrative Officer is, however, authorized to take action without prior reference to the Controller for write-off or disposal of UNEF property on the basis of the recommendations of the UNEF Property Survey Board in respect of the following cases:
- (i) Where the value of the property lost, or declared as unserviceable or surplus is less than \$100 for any one item and less than \$300 in aggregate per case.
  - (ii) Where the property lost, or declared unserviceable or surplus is a motor vehicle.
- The Chief Administrative Officer shall advise the United Nations Property Survey Board and the Controller of such action.
- (c) Final determination as to all surcharges to be made against staff members or others as the result of losses of or damages to property as described in Rule 108.2 will be made by the Controller.

- 108.7 With the approval of the Director of General Services, surplus property may be sold after competitive bidding. Bids shall be invited by advertisement, except as provided in Rule 108.8. However, should there be cases in which disposal of surplus property to other than the highest bidder is deemed to be in the best interest of the Organization, approval of the Director of General Services and the Controller, acting on the advice of the Property Survey Board, shall be obtained before such a sale is consummated.
- 108.8 Surplus property may, following reports by the UNEF and United Nations Property Survey Boards and with the approval of the Director of General Services, be disposed of without advertising and/or competitive bidding:
- (a) when the estimated sales value of the property is, in the opinion of the UNEF Property Survey Board, less than \$500;
  - (b) when the best interests of the United Nations will be served by sale at fixed unit prices approved by the UNEF Board;
  - (c) when the exchange of surplus property in partial payment for new articles will afford an advantage to the United Nations over the sale of the surplus property and separate purchase of new articles;
  - (d) when the destruction of the surplus or unserviceable material will be more economical, is required by law, or when the confidential nature of the material so warrants;
  - (e) when the best interests of the United Nations will be served by disposal by gift or at nominal prices to a non-profit organization.
- 108.9 Sales of United Nations property shall be made on a cash basis payable on or before delivery, provided that the Controller may make exceptions to this rule when he deems it in the interests of the United Nations to do so.
- 108.10 Miscellaneous unclaimed property in the possession of UNEF for six months or longer may be disposed of locally.

#### Article IX - Services to Governments and Specialized Agencies

- 109.1 Goods and services may be provided for other United Nations activities, or to Governments, specialized agencies, and other international organizations on a reimbursable or reciprocal basis on such terms and conditions as may be prescribed by administrative instructions, or as may be otherwise approved in specific cases by the Controller.

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Article X - The Accounts and Financial Statements

- 110.1 The accounts of the UNEF shall be maintained in U.S. dollars, provided that field accounts may be maintained in local currencies.
- 110.2 The Controller is responsible for the maintenance of the principal accounting records of UNEF.
- 110.3 The accounts shall consist of:
- (a) Budget accounts showing:
    - (i) Allotments;
    - (ii) Obligations outstanding;
    - (iii) Expenditures;
    - (iv) Unencumbered balances of allotments.
  - (b) General accounts showing all cash at banks, receivables and other assets; payables; and other liabilities.
  - (c) Such records as will provide for a statement of assets and liabilities for the Special Account at the end of each financial period.
- 110.4 Property records shall be maintained under the supervision of the Chief Administrative Officer showing:
- (i) permanent equipment acquisitions and disposals;
  - (ii) supplies received, issued and on hand.
- 110.5 Sub-offices shall maintain such local accounts as may be prescribed by the Chief Finance Officer, and shall submit such periodical financial statements as may be required by him.
- 110.6 All bank accounts shall be reconciled with the statements submitted by bankers not less frequently than once a month.
- 110.7 (a) Financial statements shall be prepared monthly and shall include:
- (i) Statement of allotments issued, obligations incurred, and unobligated balances of allotments;
  - (ii) Summary statement of allotments, income, and obligation incurred;
  - (iii) Statement of assets and liabilities of the Special Account;
  - (iv) Such other statements as may be required.
- 110.8 (a) The accounts for each financial period shall be prepared as at the last day of the period.

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(b) The financial statements shall be submitted by the Controller to the Board of Auditors not later than three months following the end of the related financial period. They shall be supplemented by the following:

- (i) Statement of ex-gratia payments, to be summarized in the financial report of the Secretary-General to the General Assembly;
- (ii) Summary statement of United Nations-owned supplies and equipment on hand;
- (iii) Summary statement of losses of cash, stores and other assets written off;
- (iv) Summary statement of advances and loans to the Special Account; and
- (v) Such other statements as may be required by the Board of Auditors.

#### Article XI - Audit Arrangements

111.1 The provisions of the United Nations Financial Regulations as to external audit and the United Nations Financial Rules as to internal audit apply.

#### Article XII - Miscellaneous Provisions

- 112.1 Every official of the United Nations is responsible to the Secretary-General for the regularity of actions taken by him in the course of his official duties. Any official who takes any action contrary to these financial rules, or to the administrative instructions issued in connexion therewith, may be held personally and financially liable for the consequences of his action.
- 112.2 These rules may be amplified by administrative instruction issued by or on behalf of the Controller.
- 112.3 These rules may be amended by the Secretary-General with notification to the Advisory Committee on Administrative and Budgetary Questions.
- 112.4 The provisions of the United Nations Financial Regulations and Rules shall apply in any matters not covered by the present rules.
- 112.5 These rules shall be effective as of and from 1 December 1958 and shall supersede all other provisions in force prior to that date and contrary to these rules.

DAG HAMMARSKJOLD  
Secretary-General