

*executive committee of  
the directing council*



PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



107th Meeting  
Washington, D.C.  
June 1991

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Provisional Agenda Item 5.8

CE107/24 (Eng.)  
21 May 1991  
ORIGINAL: ENGLISH

AMENDMENTS TO THE FINANCIAL RULES AND REGULATIONS OF THE PAN AMERICAN  
HEALTH ORGANIZATION

In accordance with the provisions of Financial Rule 101.3, the Director submits to the Executive Committee, for confirmation, amendments to the Financial Rules as shown in Annex I to this document, and amendments to the Financial Regulations to be proposed for approval by the XXXV Meeting of the Directing Council, as shown in Annex II. These amendments establish conformity between the Financial Regulations of this Organization and of the World Health Organization with respect to the availability of appropriations.

Annexes

PROPOSED CHANGES IN THE FINANCIAL RULES OF PAHO  
ARTICLE III - APPROPRIATIONS

Current

103.1 The appropriations voted by the Conference or the Directing Council constitute an authority to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted, but no obligations may be incurred or payments made until allotments have been issued in writing by the Director.

103.2 Appropriations shall remain available 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 obligations of the financial period. The Director is authorized to charge as an obligation against the appropriations for the financial period:

- a) the costs, including transportation, of operational supplies and equipment for which contracts have been entered into prior to the last day of the financial period;
- b) the costs of publications for which complete manuscripts shall have been delivered to and received by the printer prior to the last day of the financial period;

Proposed

103.1 No changes required

103.2 On completion of the financial period, appropriations shall remain available to the extent that they are required to discharge unliquidated obligations in respect of goods or services which were ordered or commissioned during that financial period. These same conditions apply to obligations related to fellowships. Any available cash element of the unobligated balance of the appropriations shall be transferred at the end of the period as provided under Financial Rule 103.4.

Current

- c) the entire costs relating to short-term consultants whose period of assignment may not have been completed by the end of the financial period;
- d) the full estimated cost of a fellowship.

The unobligated balances of appropriations will revert to Miscellaneous Income.

103.3 Appropriations shall remain available for twelve months following the end of the financial period to which they relate, to liquidate the obligations established under Rule 103.2. At the end of the twelve month period specified in Financial Regulation 4.3, all unliquidated obligations, excepting those listed under Rule 103.2 (a), (b), (c) and (d) shall be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations. Obligations established under Rule 103.2 (a), (b), (c) and (d) shall remain available for expenditure until fully liquidated. The remaining balances of appropriations surrendered at these times shall be credited to Miscellaneous Income.

Proposed

103.3 Appropriations shall remain available to liquidate the obligations established in accordance with Rule 103.2 above until the end of the following financial period, after which any unliquidated obligations shall be cancelled or, where the obligation remains a valid charge, an obligation against appropriations for the current financial period shall be established. The remaining balance of appropriations shall be credited to the Miscellaneous Income Account.

Current

103.4 Any excess income over expenditures at the end of a financial period shall be used for the following purposes: (1) to replenish any drawings from the Working Capital Fund in order to restore the Fund to its fixed level, to place any further surplus in a Holding Account until such time as the Directing Council or the Pan American Sanitary Conference decides on how to utilize the funds. Any deficit arising from excess of obligations over income will be met by an advance from the Working Capital Fund.

103.5 The assessments on Members, required to meet the appropriations voted by the Conference or the Directing Council, will be made in accordance with Article 60 of the Pan American Sanitary Code.

Proposed

103.4 No changes required

103.5 No changes required

PROPOSED CHANGES IN THE FINANCIAL REGULATIONS OF PAHO  
ARTICLE IV - APPROPRIATIONS

Current

- 4.1 The appropriations voted by the Directing Council constitute an authorization to the Director to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.
- 4.2 Appropriations shall be available for obligation for the financial period to which they relate. The Director is authorized to charge as an obligation against the appropriations:
- a) The costs, including transportation, of operational supplies and equipment for which contracts have been entered into prior to the last day of the financial period;
  - b) the costs of publications for which complete manuscripts shall have been delivered to and received by the printer prior to the last day of the financial period;
  - c) the entire costs relating to short-term consultants whose period of assignment may not have been completed by the end of the financial period;

Proposed

- 4.1 No change is required.
- 4.2 Appropriations shall be available for obligation for the financial period to which they relate. The Director is authorized to charge as an obligation against the appropriations the cost of goods or services which were ordered or commissioned during the current financial period and which are to be supplied or rendered during that period or within the year following the end of the period. The same conditions apply to the cost of fellowships obligated during the current period.

Current

- d) the full estimated cost of a fellowship.

The unobligated balances of appropriations shall revert to Miscellaneous Income.

- 4.3 Appropriations shall remain available for twelve months following the end of the financial period to which they relate, to the extent that they are required to discharge the outstanding legal obligations of that period except obligations established under 4.2 (a), (b), (c) and (d) which shall remain available for expenditure until these obligations have been fully liquidated. The cash balance of the appropriations shall revert to Miscellaneous Income.
- 4.4 At the end of the twelve-month period provided in Regulation 4.3, the remaining balance of any appropriations will revert to Miscellaneous Income. Any unliquidated obligations of the prior period shall at that time be cancelled, or where the obligation remains a valid charge, it shall be transferred as an obligation against current appropriations.
- 4.5 Transfers within the total amount appropriated may be made to the extent permitted by the terms of the budget resolution adopted by the Directing Council.

Proposed

- 4.3 Appropriations shall remain available for the financial period following the end of the financial period to which they relate to the extent that they are required to discharge the obligations incurred under regulation 4.2. The cash balance of the appropriations shall be surrendered.
- 4.4 At the end of the following financial period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated obligations from the prior financial period shall at that time be cancelled and, where the obligation remains a valid change, it shall be transferred as an obligation against current financial period appropriations.
- 4.5 No change is required.