



Pan American
Health
Organization



REGIONAL OFFICE FOR THE

World Health
Organization
Americas

157th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 2 October 2015

Provisional Agenda Item 5.2

CE157/6, Rev. 1

8 September 2015

Original: English

AMENDMENTS TO THE FINANCIAL REGULATIONS AND FINANCIAL RULES OF PAHO

Introduction and Background

1. The Executive Committee, at its 156th Session, adopted Resolution CE156.R9 recommending that the 54th Directing Council approve the Director's proposed amendments to the Financial Regulations of the Pan American Health Organization (PAHO). The Council approved the amendments to the Financial Regulations (Document CD54/17 [2015]) without change. The amendments to the Regulations reflect modern best practices of management as they relate to the concept of integrated budget introduced with the Program and Budget 2016-2017.

Proposed Amendments to the Financial Rules

2. In connection with the amended Financial Regulations, the Director has determined that amendments to the Financial Rules are necessary to introduce the concept of integrated budget, ensure alignment with the regulations and continue to consolidate the results-based management approach in the Organization. The proposed amendments to the Financial Rules concern mainly Rules III, IV, and V as they relate to the Program and Budget, the approved budget, and financing the Program and Budget (see attached table).

Action by the Executive Committee

3. In accordance with Financial Regulation 1.4, the Executive Committee is invited to adopt the resolution proposed in Annex A.

Annex

**PROPOSED AMMENDMENTS TO THE FINANCIAL RULES
OF THE PAN AMERICAN HEALTH ORGANIZATION**

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p>Rule I—Applicability and Delegation of Authority</p> <p>101.1 These Financial Rules are established in accordance with Financial Regulation 1.4 and are supported by operational policies, procedures, and accounting manuals reflecting industry best practices.</p>	No change.	
<p>101.2 The Director is responsible to the Pan American Sanitary Conference (hereinafter referred to as “Conference”) or the Directing Council for the implementation of the Financial Rules in order to ensure effective financial administration, the exercise of economy and safeguard of the assets of the Organization.</p>	No change.	
<p>101.3 These Rules apply uniformly to all sources of funds and all activities of the Organization unless otherwise stated in these Rules.</p>	No change.	
<p>101.4 Without prejudice to Financial Rule 101.2, the Director may delegate in writing, together with authorization for re-delegation to other officers of the Organization, such authority considered necessary by the Director</p>	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> <i>Inserted Language</i>
for the implementation of these Rules including issuance of operational policies and procedures. All designated officers shall be responsible and accountable to the Director for the exercise of any authority delegated to them.		
Rule II—The Budgetary and Financial Reporting Periods (No Rules Established)	102.1 The Program and Budget Performance monitoring and assessment shall be conducted at the end of the budgetary period; the mid-term assessment shall be conducted at the end of the first year of the budgetary period. The Director may request six monthly performance monitoring and assessments at six and 18 months into the budgetary period.	New rule to specify the periodicity of the Program and Budget performance monitoring and assessment exercises.
Rule III—The Program and Budget 103.1 Biennial Work Plans, including the planned program and budget, will be submitted by each managerial entity for the Director's approval, and will serve as the basis for the program and budget proposals.	Rule III—The Program and Budget 103.1 Biennial Work Plans, including the planned program and budget, will shall be developed submitted by each organizational managerial entity and submitted to the Director's for approval, and will serve as the basis for the to be used to implement the Pprogram and Bbudget proposals.	Changed <i>managerial</i> to organizational to be consistent with planning guidelines; details on the work plans expanded in new rules 103.2 and 103.3.

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> <i>Inserted Language</i>
	103.2 The Program and Budget is allocated to organizational entities at the appropriate level of the results hierarchy to guide the development of biennial work plans. Such budget allocations are independent of the sources of financing.	New rule to introduce budget allocations and the concept of integrated budget.
	103.3 Planned costs are a breakdown of the Program and Budget in Biennial Work Plans and are independent of the sources of financing. An organizational entity can increase planned costs beyond the approved levels if additional resources to finance the biennial work plan are received.	New rule to state the relationship of planned costs and the Program and Budget figures.
Rule IV—Regular Budget Appropriations 104.1 The Regular Budget appropriations approved by the Conference or Directing Council constitute a budgetary authority to incur expenses for the purposes for which the appropriations were adopted. The Director may determine the level amount of the appropriations that would be prudent to allocate as budgetary authority for making commitments, taking into account the available balance in the Working	Rule IV—Financing the Program and Regular Budget Appropriations 104.1 The Regular Program and Budget appropriations approved by the Conference or Directing Council constitutes a budgetary authority to incur expenses for the purposes for which it was the appropriations were adopted. The Director may determine the level amount of the allocations appropriations that would be prudent to allocate as budgetary authority for making commitments, subject to availability of	Revised to change <i>regular budget appropriations</i> to approved Program and Budget to reflect the integrated budget approach. The authorization to incur expenditures is subject to the availability of funds which come from several sources.

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
Capital Fund and other financial resources available to fund the approved Regular Budget appropriations.	funding , and taking into account the available balance in the Working Capital Fund and other financial resources available to fund the approved Regular Program and Budget appropriations.	
104.2 Budgetary authority is granted in accordance with levels set by the Director, the appropriation resolution and the policies of the Conference, Directing Council and the Executive Committee.	104.2 Budgetary authority is granted in accordance with levels set by the Director, the approved appropriation resolution and the policies of the Conference, Directing Council and the Executive Committee.	Changed from <i>appropriation</i> to approved to make the difference between budget approval and appropriation of funds.
104.3 Designated officers to whom budgetary authority has been granted are accountable to the Director for the correct use of the resources made available.	No change.	
104.4 In order to incur expenses, the designated officers must establish commitments in line with their budgetary authority granted by the Director.	No change.	
104.5 Commitments may only be established by designated officers and must be supported by satisfactory documentation. All activities that create liabilities against the resources of the Organization must be represented by commitments that are	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
established when the liability arises.		
104.6 Commitments by designated officers may be established only for the purpose indicated and may not exceed the budgetary authority granted.	No change.	
104.7 Proposals for, and revisions to, commitments, including procurement of goods and services, must comply with the Financial Regulations, these Rules, and shall be rejected under the following conditions: (a) funds are not available (b) the procedures of the Organization are not being observed (c) the financial situation of the Organization will be prejudiced (d) the purpose of the proposed commitment is not in the interests of the Organization.	No change.	
104.8 In accordance with Regulation 4.2, a non-severable contractual agreement is one that cannot reasonably be subdivided or that results in a single or unified product. All requests for the carryover of Regular Budget appropriations pertaining to non-severable contractual agreements must be authorized by the Director	104.8 In accordance with Regulation 4.5 4.2 , a non-severable contractual agreement is one that cannot reasonably be subdivided or that results in a single or unified product. All requests for the carryover of Regular Budget appropriations pertaining to non-severable contractual agreements must be authorized by the Director	Renumbered to be consistent with the updated Financial Regulations.

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p>of Administration. Delivery and payment of these commitments must occur in the first three months of the new budgetary period, and will be reported separately within the new program and budget. As authorized by the Director, the commitments and associated budgetary authority for those goods and services whose delivery was delayed due to unforeseen circumstances shall be carried forward to the subsequent budgetary period. Delivery and payment of these commitments must occur in the first six months of the new budgetary period, and will be reported separately within the new program and budget. The balance of any undelivered commitments will be credited to the budgetary surplus of the new budgetary period and will be available for use in accordance with the applicable Regulations.</p>	<p>of Administration. Delivery and payment of these commitments must occur in the first three months of the new budgetary period, and will be reported separately within the new program and budget. As authorized by the Director, the commitments and associated budgetary authority for those goods and services whose delivery was delayed due to unforeseen circumstances shall be carried forward to the subsequent budgetary period. Delivery and payment of these commitments must occur in the first six months of the new budgetary period, and will be reported separately within the new pProgram and hBudget. The balance of any undelivered commitments will be credited to the budgetary surplus of the new budgetary period and will be available for use in accordance with the applicable Regulations.</p>	
<p>Rule V—Provision of Regular Program Budget Funds (No Rules Established)</p>	<p>Rule V—Provision of Regular Program Budget Funds (No Rules Established)</p>	<p>Deleted to be consistent with the updated Financial Regulations, the regulations in section V are now covered under other regulations.</p>

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> <i>Inserted Language</i>
<p>Rule VI—Revenue – Assessed Contributions</p> <p>106.1 The Director shall inform Members of the status of their assessed contributions at least two times per year, immediately following the meetings of the Executive Committee and the Conference or Directing Council.</p>	<p>Rule V VI—Revenue— Assessed Contributions</p> <p>105.1 106.1 The Director shall inform Members of the status of their assessed contributions at least two times per year, immediately following the meetings of the Executive Committee and the Conference or Directing Council.</p>	<p>Renumbered to keep the sequence.</p>
<p>106.2 As set forth in Financial Regulation 6.6, the Director shall determine the acceptability of payment of assessed contributions in currencies other than United States dollars subject to annual approval on a case-by-case basis. The approvals will stipulate any terms and conditions that the Director considers necessary to protect the Organization, including any limits to the amount authorized to be paid in local currency.</p>	<p>105.2 106.2 As set forth in Financial Regulation 5.6 6.6, the Director shall determine the acceptability of payment of assessed contributions in currencies other than United States dollars subject to annual approval on a case-by-case basis. The approvals will stipulate any terms and conditions that the Director considers necessary to protect the Organization, including any limits to the amount authorized to be paid in local currency.</p>	<p>Renumbered to be consistent with the sequence and the updated Financial Regulations.</p>
<p>106.3 Any payments in currencies other than United States dollars that have not received prior approval from the Director, or do not comply with the terms of approval stipulated by the Director may be automatically returned to the relevant Member, and the assessed contribution concerned</p>	<p>105.3 106.3 Any payments in currencies other than United States dollars that have not received prior approval from the Director, or do not comply with the terms of approval stipulated by the Director may be automatically returned to the relevant Member, and the assessed contribution concerned</p>	<p>Renumbered to keep the sequence.</p>

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
shall continue to be due and payable.	shall continue to be due and payable.	
Rule VII—Working Capital Fund and Internal Borrowing		Regulation VII was moved to Regulation VIII to be consistent with the updated Financial Regulations.
108.2 All voluntary contributions will be supported by a signed written agreement consistent with these Regulations and Rules, and policies and procedures in effect.	Rule VI—Voluntary Contributions 106.1 108.2 All voluntary contributions will be supported by a signed written agreement consistent with these Regulations and Rules, and policies and procedures in effect.	Renumbered to be consistent with the updated Financial Regulations; the new regulation section segregates voluntary contributions, including Program Support Costs.
108.3 The Director may issue budgetary authority for expenses to be financed from sources other than the Regular Budget in amounts consistent with the terms of the signed written agreement and industry best practices governing cash management. These funds will be administered in accordance with Rules 104.3 to 104.7 unless otherwise stated in these Rules.	106.2 108.3 The Director may issue budgetary authority for expenses to be financed from sources other than the Assessed Contributions and Budgeted Miscellaneous Revenue Regular Budget in amounts consistent with the terms of the signed written agreement and industry best practices governing cash management. These funds will be administered in accordance with Rules 104.3 to 104.7 unless otherwise stated in these Rules.	Renumbered to keep the sequence. Changed from <i>Regular Budget</i> to Assessed Contributions and Budgeted Miscellaneous Revenue to reflect the integrated budget.

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
108.4 Program Support Costs will be levied on all voluntary contributions unless otherwise authorized in writing by the Director.	106.3 108.4 Program Support Costs will be levied on all voluntary contributions unless otherwise authorized in writing by the Director.	Renumbered to keep the sequence.
108.5 The standard Service Charge will be levied on procurement funds activities unless otherwise authorized in writing by the Director.	106.4 108.5 The standard Service Charge will be levied on procurement funds activities unless otherwise authorized in writing by the Director.	Renumbered to keep the sequence.
Rule VIII—Revenue – Other Sources 108.1 Other sources of revenue could include the net result of non-budgetary operational activities including, but not limited to, gains and losses on currency exchange, disposal of fixed assets, rebates, gifts, etc.	Rule VII VIII—Revenue – Other Sources 107.1 108.1 Other sources of revenue could include the net result of non-budgetary operational activities including, but not limited to, gains and losses on currency exchange, disposal of fixed assets, rebates, gifts, etc.	Renumbered to keep the sequence.
Rule VII—Working Capital Fund and Internal Borrowing 107.1 In addition to Regular Budget funding requirements, resources may be made available from the Working Capital Fund to finance unforeseeable and extraordinary expenses.	Rule VIII VII—Working Capital Fund and Internal Borrowing 108.1 107.1 In addition to Regular approved Program and Budget funding requirements, resources may be made available from the Working Capital Fund to finance unforeseeable and extraordinary expenses.	Renumbered to be consistent with the updated Financial Regulations. Deleted <i>internal</i> ; with the adoption of IPSAS, internal borrowing is no longer applicable. Revised to change <i>Regular Budget</i> to approved Program and Budget to reflect the integrated budget approach.

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
107.2 The term “unforeseeable expenses” means expenses arising from, or incidental to, the carrying out of a program in accord with the policies approved by the Conference or the Directing Council, which expenses were not foreseen when the estimates were made.	108.2 107.2 The term “unforeseeable expenses” means expenses arising from, or incidental to, the carrying out of a program in accord with the policies approved by the Conference or the Directing Council, which expenses were not foreseen when the estimates were made.	Renumbered to keep the sequence.
107.3 The term “extraordinary expenses” means expenses for items or objects outside the scope of the budget.	108.3 107.3 The term “extraordinary expenses” means expenses for items or objects outside the scope of the budget.	Renumbered to keep the sequence.
107.4 A designated officer shall be responsible for the preparation of information on the status of all commitments relating to unforeseeable and extraordinary expenses to be submitted to the Executive Committee, and shall prepare the supplemental estimates required in connection therewith for submission to the Conference or Directing Council.	108.4 107.4 A designated officer shall be responsible for the preparation of information on the status of all commitments relating to unforeseeable and extraordinary expenses to be submitted to the Executive Committee, and shall prepare the supplemental estimates required in connection therewith for submission to the Conference or Directing Council.	Renumbered to keep the sequence.
Rule IX—Funds (No Rules Established)	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
Rule X—Custody of Financial Resources 110.1 Financial resources in the custody of the Organization shall only be kept in financial institutions designated by the Director or officers designated by the Director.	No change.	
110.2 The Director of Administration or designated officer shall be responsible for the management of all financial institution accounts including investment and custody accounts.	No change.	
110.3 All financial resources received by the Organization, other than assessed contributions, must be supported by a valid written agreement signed by the Director or designated officer. Otherwise such resources shall be returned to the originating source.	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p>Rule XI—Investments</p> <p>111.1 Investment policies shall be drawn up in accordance with Financial Regulation 11.1. An Investment Committee, chaired by the Director of Administration, shall assist the Director in formulating these investment policies. The Committee shall determine appropriate investment instruments and maturities, and shall monitor the performance of funds invested. In accordance with Regulation 10.2, the Committee may designate investment managers for the management of any of the financial resources in the custody of the Organization.</p>	No change.	
<p>111.2 No interest shall be payable by the Organization on financial resources deposited with or administered by it unless otherwise requested in advance and authorized in writing by the Director.</p>	No change.	
<p>Rule XII—Internal Control</p> <p>112.1 In order to ensure effective internal control within the Organization, in accordance with Financial Regulation XII, the Director shall establish measures, including (i) an internal oversight and evaluation mechanism, (ii) appropriate delegations of</p>	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p>authority, (iii) segregation of duties and (iv) other measures that are consistent with industry best practice.</p>		
<p>112.2 The Director shall designate the officer responsible for establishing and maintaining an adequate internal control of the operations of the Organization as deemed necessary. The internal controls structure shall include:</p> <ul style="list-style-type: none"> (a) The accomplishment of the strategic objectives and goals in line with the mission of the Organization, (b) The efficient and effective administration of resources, (c) The compliance with regulations and rules, policies and procedures, and decisions of the Governing Bodies, (d) The identification and management of organizational risks, (e) The appropriate designation of officers responsible and accountable for conducting the business of the Organization, (f) The integrity and reliability of information. 	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p><u>Payments</u></p> <p>112.3 Payments shall not be made in advance except as where otherwise specified in these Rules. Payments shall only be made on the basis of satisfactory supporting documents duly certified by designated officials confirming that in accordance with the terms of the contract, the amount is correct and services have been rendered or delivery has been completed.</p>	No change.	
<p>112.4 Where operationally justified and only on an exceptional basis, contracts or purchase orders may be entered into which require partial payment in advance prior to the delivery of goods or performance of services. Such practice shall be fully documented.</p>	No change.	
<p>112.5 In order for any contract or purchase order to be entered into requiring full payment in advance, the officer requesting such terms shall provide full justification and demonstrate why such payments terms are necessary in the interest of the Organization. All such payment terms shall be subject to approval of the designated officer.</p>	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
112.6 Designated officials may authorize advances to staff members and other persons in connection with the execution of official duties for PAHO and staff entitlements.	No change.	
112.7 Designated officers are responsible and accountable for all resources under their control.	No change.	
112.8 Panels of signatories shall be designated by officials authorized by the Director. All payments from the Organization's bank accounts shall be signed by two officials of the appropriate panels. Where deemed necessary, in exceptional circumstances, the officials authorized to designate panels of signatories, may authorize the signature of payments by one official only, provided that there are adequate safeguards for the protection of funds.	No change.	
112.9 Comprehensive policies and procedures for core functions must be properly documented, maintained and disseminated across the Organization.	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
112.10 Fixed asset records will be maintained by the designated officer, however acquired and from whatever source, in accordance with applicable policies, procedures and accounting standards.	No change.	
112.11 An annual physical inventory shall be taken of all fixed assets.	No change.	
112.12 The designated officer may declare a fixed asset to be surplus or obsolete if it has no further future economic benefit to the Organization. The disposal of a fixed asset should result in the best possible outcome to the Organization, including the sale, donation or scrapping.	No change.	
112.13 The gain or loss from the disposal of a fixed asset shall be recognized in Other Revenue.	No change.	
112.14 Subject to the provisions of Financial Rule 104.1, goods and services may be provided to governments, specialized agencies, and other international organizations on a reimbursable or reciprocal basis on such terms and conditions as may be prescribed by the Director.	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
112.15 Policies and procedures shall be established, documented, and disseminated for procurement and contracting activities.	No change.	
112.16 Procurement and contracting activities shall be entered into for and on behalf of the Organization only by duly authorized officers.	No change.	
112.17 All purchases and other contracts shall be made on the basis of competitive bids, except when otherwise authorized by the Chief of Administration.	No change.	
112.18 Contracts are normally awarded to the lowest bidder. However, where it is considered to be in the interests of the Organization, the acceptance of a bid other than the lowest, or the rejection of all bids may be authorized by the designated officer.	No change.	
Rule XIII—Accounts and Financial Statements 113.1 The accounts shall comprise a consolidated general ledger of the Organization, subsidiary ledgers and auxiliary systems, which shall include all financial and budgetary transactions of the financial period to	No change.	

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<p>which they relate, in accordance with the accounting standards adopted by the Conference or the Directing Council. All official financial reporting shall be prepared from these accounts.</p>		
<p>113.2 Subject to Financial Rule 101.3 and in line with accounting standards, the Director shall determine those entities administered by the Organization that shall be authorized to maintain their own accounting records, and which shall be reported periodically within the financial statements of the Organization.</p>	No change.	
<p>113.3 All financial transactions and statements shall be supported by documentation to be retained as an integral part of the official records of the Organization for the period prescribed by industry best practice.</p>	No change.	
<p>113.4 The Director shall submit financial statements, taken from the accounts referred to in Financial rule 113.1 to the Executive Committee for review and comment within the timeframe stipulated in the corresponding Rules of Procedure following the</p>	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p>financial reporting period covered. The Executive Committee will subsequently forward the document to the Conference or the Directing Council. The statements shall be prepared in accordance with the accounting standards adopted by the Conference or the Directing Council, the Financial Regulations and these Rules, and shall include such other information as may be necessary to indicate the financial position of the Organization.</p>		
<p>113.5 The financial statements shall also disclose any ex-gratia payments and any losses as a result of theft or fraud which have occurred during the financial reporting period.</p>	No change.	
<p>Rule XIV—External Audit</p> <p>114.1 The appointment process of the External Auditor by the Conference or the Directing Council must be based on professional criteria to ensure independence, objectivity and compliance with standards and best practices.</p>	No change.	

EXISTING TEXT	PROPOSED TEXT	COMMENTS <i>Deleted Language</i> Inserted Language
<p>Rule XV—Resolutions involving Expenses</p> <p>115.1 Notwithstanding Regulations 15.1 and 15.2, the Director may finance unforeseeable and extraordinary expenses from the Working Capital Fund in accordance with Financial Regulation 7.4 or from other sources of funds consistent with the terms and conditions of those funds.</p>	No change.	
<p>Rule XVI—General Provisions</p> <p>116.1 The Financial Rules established by the Director, and any amendments thereto, shall enter into force after confirmation by the Executive Committee.</p>	No change.	
<p>116.2 In case of doubt as to the interpretation and application of any of the Financial Rules, the Director shall rule thereon.</p>	No change.	



Pan American
Health
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World Health
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REGIONAL OFFICE FOR THE Americas

157th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 2 October 2015

CE157/6, Rev. 1

Annex

Original: English

PROPOSED RESOLUTION

AMENDMENTS TO THE FINANCIAL RULES OF THE PAN AMERICAN HEALTH ORGANIZATION

THE 157th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the Director's proposed amendments to the Financial Rules of the Pan American Health Organization (Document CE157/6, Rev. 1);

Taking into consideration that the amendments will provide consistency with the Financial Regulations adopted by the 54th Directing Council,

RESOLVES:

To confirm the amendments proposed by the Director to the Financial Rules of the Pan American Health Organization as they appear in the annex, and to make these amendments effective as of 1 January 2016.

To forward the amended Financial Rules of the Pan American Health Organization to the 55th Directing Council for information.

Annex

**AMENDMENTS TO THE FINANCIAL RULES OF PAHO
AS APPROVED BY THE 157th SESSION OF THE EXECUTIVE COMMITTEE
(2015)**

New Text
<i>Rule II—The Budgetary and Financial Reporting Periods</i>
102.1 The Program and Budget Performance monitoring and assessment shall be conducted at the end of the budgetary period; the mid-term assessment shall be conducted at the end of the first year of the budgetary period. The Director may request six monthly performance monitoring and assessments at six and 18 months into the budgetary period.
<i>Rule III—The Program and Budget</i>
103.1 Biennial Work Plans shall be developed by each organizational entity and submitted to the Director for approval, to be used to implement the Program and Budget.
103.2 The Program and Budget is allocated to organizational entities at the appropriate level of the results hierarchy to guide the development of biennial workplans. Such budget allocations are independent of the sources of financing.
103.3 Planned costs are a breakdown of the Program and Budget in Biennial Work Plans and are independent of the sources of financing. An organizational entity can increase planned costs beyond the approved levels if additional resources to finance the biennial workplan are received.
<i>Rule IV—Financing the Program and Budget</i>
104.1 The Program and Budget approved by the Conference or Directing Council constitutes a budgetary authority to incur expenses for the purposes for which it was adopted. The Director may determine the amount of the allocations that would be prudent for making commitments, subject to availability of funding, and taking into account the available balance in the Working Capital Fund and other financial resources available to fund the approved Program and Budget.
104.2 Budgetary authority is granted in accordance with levels set by the Director, the approved resolution and the policies of the Conference, Directing Council and the Executive Committee.
104.8 In accordance with Regulation 4.5, a non-severable contractual agreement is one that cannot reasonably be subdivided or that results in a single or unified product. All requests for the carryover of Regular Budget appropriations pertaining to non-severable contractual agreements must be authorized by the Director of Administration. Delivery and payment of these commitments must occur in the first three months of the new budgetary period, and will be reported separately within the new Program and Budget. As authorized by the Director, the commitments and associated budgetary authority for those goods and services whose delivery was delayed due to unforeseen circumstances shall be carried forward to the subsequent budgetary period. Delivery and payment of these commitments must occur in the first six months of the new budgetary period, and will be reported separately within the new program and budget. The balance of any undelivered commitments will be credited to the budgetary surplus of the new budgetary period and will be available for use in accordance with the applicable Regulations.

<i>Rule V—Assessed Contributions</i>
105.1 The Director shall inform Members of the status of their assessed contributions at least two times per year, immediately following the meetings of the Executive Committee and the Conference or Directing Council.
105.2 As set forth in Financial Regulation 5.6, the Director shall determine the acceptability of payment of assessed contributions in currencies other than United States dollars subject to annual approval on a case-by-case basis. The approvals will stipulate any terms and conditions that the Director considers necessary to protect the Organization, including any limits to the amount authorized to be paid in local currency.
105.3 Any payments in currencies other than United States dollars that have not received prior approval from the Director, or do not comply with the terms of approval stipulated by the Director may be automatically returned to the relevant Member, and the assessed contribution concerned shall continue to be due and payable.
<i>Rule VI—Voluntary Contributions</i>
106.1 All voluntary contributions will be supported by a signed written agreement consistent with these Regulations and Rules, and policies and procedures in effect.
106.2 The Director may issue budgetary authority for expenses to be financed from sources other than the Assessed Contributions and Budgeted Miscellaneous Revenue in amounts consistent with the terms of the signed written agreement and industry best practices governing cash management. These funds will be administered in accordance with Rules 104.3 to 104.7 unless otherwise stated in these Rules.
106.3 Program Support Costs will be levied on all voluntary contributions unless otherwise authorized in writing by the Director.
106.4 The standard Service Charge will be levied on procurement funds activities unless otherwise authorized in writing by the Director.
<i>Rule VII—Revenue – Other Sources</i>
107.1 Other sources of revenue could include the net result of non-budgetary operational activities including, but not limited to, gains and losses on currency exchange, disposal of fixed assets, rebates, gifts, etc.
<i>Rule VIII—Working Capital Fund and Borrowing</i>
108.1 In addition to approved Program and Budget funding requirements, resources may be made available from the Working Capital Fund to finance unforeseeable and extraordinary expenses.
108.2 The term “unforeseeable expenses” means expenses arising from, or incidental to, the carrying out of a program in accord with the policies approved by the Conference or the Directing Council, which expenses were not foreseen when the estimates were made.
108.3 The term “extraordinary expenses” means expenses for items or objects outside the scope of the budget.

108.4 A designated officer shall be responsible for the preparation of information on the status of all commitments relating to unforeseeable and extraordinary expenses to be submitted to the Executive Committee, and shall prepare the supplemental estimates required in connection therewith for submission to the Conference or Directing Council.

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