

directing council



PAN AMERICAN
HEALTH
ORGANIZATION

regional committee

WORLD
HEALTH
ORGANIZATION



XXVIII Meeting

XXXIII Meeting

Washington, D.C.
September-October 1981

ANNEXED

Provisional Agenda Item 37

CD28/20 (Eng.)
30 June 1981
ORIGINAL: ENGLISH

SERVICE CHARGE FOR PROCUREMENT SERVICES AND INCOME FROM THE SALE OF PUBLICATIONS

The Executive Committee at its 86th Meeting approved the following Resolution XXV regarding the service charge on procurements and proceeds from the sale of publications by the Organization:

THE EXECUTIVE COMMITTEE,

Having considered the Director's presentation on the 3 per cent service charge on procurements and proceeds from the sale of publications, etc. (Document CE86/19, Rev. 1),

RESOLVES:

To recommend to the Directing Council that it give favorable consideration to the request of the Director and to the amendments to the Financial Regulations of the Pan American Health Organization included in Document CE86/19, Rev. 1, by adopting the following resolution:

THE DIRECTING COUNCIL,

Having considered the recommendation of the Executive Committee and the proposed changes in the Financial Regulations proposed in Document CE86/19, Rev. 1; and

Taking into consideration that changes in the Regulations are necessary to permit the Director to use income generated by the 3 per cent service charge on procurements and from publication sales to partially defray staff costs and other costs related to these procurement/publications functions,

RESOLVES:

1. To approve the changes in the Financial Regulations of the Pan American Health Organization as they appear in Document CE86/19, Rev. 1.

2. To permit the Director to use income generated by the 3 per cent service charge on procurements and from the sale of publications to partially defray staff costs and other costs related to these procurement/publications functions.

For the information of the Directing Council, Document CE86/19, Rev. 1 is attached as Annex I. To clarify the proposed changes in the Financial Regulations, Article 7.1 is reproduced in its present and proposed forms in Annex II.

Annexes

*executive committee of
the directing council*

PAN AMERICAN
HEALTH
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CD28/20 (Eng.)
ANNEX I
*working party of
the regional committee*

WORLD
HEALTH
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86th Meeting
Washington, D.C.
June-July 1981

Provisional Agenda Item 27

CE86/19, Rev. 1 (Eng.)
17 June 1981
ORIGINAL: ENGLISH

SERVICE CHARGE FOR PROCUREMENT SERVICES AND INCOME FROM THE SALE OF PUBLICATIONS

At its V Meeting in September-October 1951 the Directing Council considered it necessary to establish a basic policy regarding the procurement services performed by the Pan American Sanitary Bureau.

Resolution I of that meeting contained, *inter alia*, that provisions of this resolution be made part of the internal regulations of the Pan American Sanitary Bureau concerning procurement procedures, and that the 3 per cent service charge now in effect shall be continued, and will be applied only on the net cost of the items purchased.

The Resolution III of its 59th Meeting in July 1968, the Executive Committee instructed the Director to apply the 3 per cent service charge established by the V Directing Council under the procurement policy of the Pan American Sanitary Bureau to purchases made on behalf of Governments under the Emergency Procurement Revolving Fund in the same manner as such charge is applied to purchases under the regular procurement services.

The Financial Regulations of the Pan American Health Organization, Article VII, paragraph 7.1, require, among other things, that income derived from the 3 per cent service charge on procurements and the sale of publications be credited to Miscellaneous Income. During the years 1979-1980, the 3 per cent service charge generated income of \$200,624. During these two years, income from sales of publications and filmstrips was \$104,201.

Under the present Financial Regulations, funds generated from these sources cannot be applied to partially offset staff and other costs related to these procurement/publication functions.

In order to permit management flexibility and to accomplish the intent of these charges, approval is requested to use these funds to defray staff costs and other costs associated with the procurement/publications functions performed by the Organization.

Such authority would require the following changes in the Financial Regulations of PAHO:

"Article VII - Other Income

7.1 All income, other than:

.....

(new) d) Service charges received from Procurement Services on behalf of Member Governments, proceeds from the sale of publications, and any other items which the Organization may produce for sale; and"

Former item d) to become e).

If the request is favorably received, the Executive Committee may wish to consider the following proposed resolution:

Proposed Resolution

SERVICE CHARGE FOR PROCUREMENT SERVICES AND INCOME FROM
THE SALE OF PUBLICATIONS

THE EXECUTIVE COMMITTEE,

Having considered the Director's presentation on the 3 per cent service charge on procurements and proceeds from the sale of publications, etc. (Document CE86/19, Rev. 1),

RESOLVES:

To recommend to the Directing Council that it give favorable consideration to the request of the Director and to the amendments to the Financial Regulations of the Pan American Health Organization included in the Document CE86/19, Rev.1, by adopting the following resolution:

THE DIRECTING COUNCIL,

Having considered the recommendation of the Executive Committee and the proposed changes in the Financial Regulations proposed in Document CE86/19, Rev.1; and

Taking into consideration that changes in the Regulations are necessary to permit the Director to use income generated by the 3 per cent service charge on procurements and from publication sales to partially defray staff costs and other costs related to these procurement/publications functions,

RESOLVES:

1. To approve the changes in the Financial Regulations of the Pan American Health Organization as they appear in Document CE86/19, Rev. 1.

2. To permit the Director to use income generated by the 3 per cent service charge on procurements and from the sale of publications to partially defray staff costs and other costs related to these procurement/publications functions.

FINANCIAL REGULATIONS OF THE PAN AMERICAN
HEALTH ORGANIZATION

Present

Proposed

Article VII - Other Income

7.1 All income, other than:

- (a) Contributions to the budget;
- (b) Refunds of direct expenditures made during the financial period;
- (c) Advances or deposits to Funds; and

- (d) The contributions made by France, the Netherlands, and the United Kingdom on behalf of their territories in the Region of the Americas, shall be claimed as miscellaneous income for credit to the General Fund. Profits and losses on exchange shall be credited and debited to miscellaneous income.

7.1 All income, other than:

- (a) Contributions to the budget;
- (b) Refunds of direct expenditures made during the financial period;
- (c) Advances or deposits to Funds;
- (d) (New paragraph) Service charges received from procurement services on behalf of Member Governments, proceeds from the sale of publications, and any other items which the Organization may produce for sale; and
- (e) (Previously paragraph (d)) The contributions made by France, the Netherlands, and the United Kingdom on behalf of their territories in the Region of the Americas, shall be claimed as miscellaneous income for credit to the General Fund. Profits and losses on exchange shall be credited and debited to miscellaneous income.