

TABLE OF CONTENTS

	<i>Page</i>
PREAMBLE	1
SECTION I General provisions	2
Article 1 Management and control of the finances of the Union.	2
Rule 1.1 Delegation of authority	3
 SECTION II Budget of the Union and ITU TELECOM budget.....	 4
Article 2 Structure and universal nature of the budget of the Union.....	4
Article 3 ITU TELECOM secretariat budget.....	5
Article 4 Financial limits	5
Article 5 Budgetary period	5
Article 6 Budget of the Union – Expenses	6
Rule 6.1 Categories of expenses	7
Article 7 Budget of the Union – Revenue.....	7
Article 8 Preparation of the biennial budget.....	9
Rule 8.1 Preparation of the budget of the Union	10
Article 9 Approval of the biennial budget	10
Article 10 Implementation of the budget of the Union: Role of the Secretary-General	11
Rule 10.1 Obligating documents.....	12
Article 11 Transfers of appropriations	12
Article 12 Supervision of actual expenses.....	13
Rule 12.1 Certifying officers	14
Article 13 Closing of budget operations and deferred activities....	15
Article 14 Expenses and revenue from publications	16
 SECTION III Liquid assets, investment and advances of funds.....	 17
Article 15 Liquid assets of the Union.....	17
Rule 15.1 Receipt of funds	17
Rule 15.2 Cash advances	17

	<i>Page</i>
Article 16 Investment of funds	18
Rule 16.1 Custody of funds	18
Rule 16.2 Investments	19
Article 17 Advances of funds accorded by the Government of the Swiss Confederation	19
SECTION IV Accounting	20
Article 18 Keeping of accounts and presentation of financial statements	20
Rule 18.1 Approving officers	21
Rule 18.2 Statement of financial performance	22
Rule 18.3 Accounting records.....	22
Rule 18.4 Accounting of bank transactions.....	23
Rule 18.5 Financial statements	23
Rule 18.6 Inventories and assets	24
Rule 18.7 Premises.....	24
Article 19 ITU TELECOM exhibitions, forums and similar events organized by the Union	24
Article 20 Currency of account.....	25
Article 21 Capital budget fund.....	26
Article 22 Staff welfare fund	26
Article 23 Reserve for staff repatriation.....	27
Article 24 Reserve for debtors' accounts	27
Article 25 Accrued liability for overtime and accrued leave.....	28
Article 26 Accrued liability for other staff benefits	29
Article 27 Net Assets including Reserve Account	29
SECTION V Control of the finances of the Union	31
Article 28 External audit.....	31
Article 29 Internal control and internal audit.....	32
Article 30 Financial operating report	33
Article 31 Final approval of accounts	34

Rule 18.4

Accounting of bank transactions

1. Disbursements shall be recorded in the accounts as at the date on which they are made, that is, when the cheque is issued, the transfer is executed or cash is paid out.

2. At least every month, or more frequently if necessary, all financial transactions, including bank charges and commissions, must be reconciled with the information submitted in the bank statements, unless a waiver is granted in writing by the Chief of the department in-charge of financial resources management.

Rule 18.5

Financial statements

1. In addition to the provisions of Article 28 of the Financial Regulations, annual financial statements for all the accounts of ITU as at 31 December shall be submitted to the External Auditor not later than 31 March of the following year. The annual IPSAS financial statements shall include all funds of the Union. Additional financial statements may be prepared as and when the Secretary-General deems it necessary.

2. Financial statements submitted to the External Auditor shall be presented in accordance with the accounting standards common to the organizations of the United Nations system and shall include:

- a) a statement of financial performance including information on revenue and expenses;
- b) a statement of the financial position including information on assets and liabilities;
- c) a statement of changes in Net Assets, including variations in reserves;
- d) a statement of cash flows;
- e) a comparison of budget and actual amounts according to IPSAS financial statements;
- f) accounting methods and notes relating to the financial statements;
- g) such other schedules as may be required.

Rule 18.6

Inventories and assets

1. The accounts of the Union shall be supplemented by inventories of, in particular:
 - furniture and equipment;
 - stores, reprography and technical services;
 - printing paper;
 - publications.
2. Any assets acquired that meet IPSAS capitalization criteria shall be capitalized and inventoried and shown in the statement of financial position. They shall then be amortized over a period corresponding to their expected useful lifetime.
3. The Secretary-General shall establish the procedures governing the inventories and assets of the Union.

Rule 18.7

Premises

Union premises shall be entered on the assets side of the statement of the financial position of the Union and shall be amortized over a period corresponding to their expected useful lifetime.

Article 19

ITU TELECOM exhibitions, forums and similar events organized by the Union

1. Separate accounts shall be kept for each exhibition, forum or similar event.
2. Each account must show revenue and expenses, duly broken down.

3. Each account shall be closed no later than six months after the closure of the event concerned, taking into account accounts payable foreseen under Article 13 of the present regulations.

4. At the closure of each of these accounts, any surplus revenue or excess expenses shall be transferred to an Exhibition Working Capital Fund, the balance of which shall be entered in the statement of the financial position of the Union.

5. A statement of operations relating to each exhibition, forum and similar event shall be included in the financial operating report of the Union submitted to the Council.

Article 20

Currency of account

1. All accounts shall be kept in the currency of the country where the Union has its seat. However, special accounts kept in accordance with Article 18, §§ 2 b) and c) of the present regulations may be kept in a currency other than that referred to above.

2. As a general rule, payments to the Union must be made in the currency of account. However, they may be made in other currencies, provided these are convertible into the currency of account.

3. Financial transactions in currencies other than the currency of the country where the Union has its seat shall be recorded in the accounts at the United Nations operational rate of exchange at the date of the transaction. Any difference between the United Nations operational rate of exchange and the actual rate received from the paying agent or financial institution shall be treated as revenue if a gain, or expenses if a loss.

Article 21

Capital budget fund

1. A capital budget fund shall be set up, the accounts of which shall show as expenses:
 - a) the costs of major repair or maintenance works on the buildings, and the costs of maintaining and renewing the equipment of the restaurant, cafeterias and bars of the Union;
 - b) the cost of the procurement and development of major IT systems (hardware, software, consulting), covering both new systems and the replacement and upgrading of existing systems.
2. All the expenses that meet IPSAS capitalization criteria shall be capitalized and entered as assets in the statement of the financial position of the Union.

Article 22

Staff welfare fund

1. There shall be a staff welfare fund, the accounts of which shall show:
 - a) as revenue, the amounts paid by the catering service representing the Union's revenue from its contract(s) with the caterer(s);
 - b) as expenses, sums used for the welfare of the staff.
2. This fund shall be administered by the Secretary-General in concert with the ITU Staff Council.
3. The balance of this fund shall be entered in the statement of the financial position of the Union.