

United Nations  Nations Unies
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR


TO: Directors/Chiefs of Administration/Chief
A: Finance Officers for Offices Away from
Headquarters, Peacekeeping Missions and
Political Missions, UNU, ITC, and UNITAR and
all other Approving Officers

DATE: 02 August 2007

REFERENCE:

THROUGH:

S/C DE:

FROM: Warren Sach 
DE: Assistant Secretary-General, Controller

SUBJECT: **Payment Instructions**

OBJET: Guidelines for Approving Payments to Vendors of the United Nations

1. I am pleased to send you the enclosed "Guidelines for Approving Payments to Vendors of the United Nations", which may be widely circulated among your staff who are responsible for procurement and vendor payment functions.
2. All approving officers are hereby reminded that payments to vendors must be based on payment details contained in contracts or agreements between the United Nations and the vendors as approved by the Procurement Division or the heads of Procurement Sections of Offices Away from Headquarters, or Chief Procurement Officers and equivalent in Peacekeeping Missions and Political Missions.
3. Please ensure that all your relevant staff are briefed and trained in the application of these procedures.
4. Thank you for your cooperation.

cc: The Chief, Procurement Division, UNHQ
Heads of Procurement Sections, OAHs
Chief Procurement Officers or Equivalent, Peace-keeping
Missions and Political Missions

GUIDELINES FOR APPROVING PAYMENTS TO VENDORS OF THE UNITED NATIONS

Payments to vendors of the United Nations shall be made only to the party named in the payment details as contained in the contracts or agreements between the United Nations and said vendors. The following guidelines shall be observed for this purpose:

1. Payment details to be included in contracts and agreements. The Chief, Procurement Division at UN Headquarters, New York, the respective heads of Procurement Sections of Offices Away from Headquarters, and the Chief Procurement Officers and equivalent in Peacekeeping Missions and Political Missions shall ensure that payment details and banking information shall be included among the provisions of contracts and agreements entered into between the UN and the vendor.
2. Payee Beneficiary. Generally, the payee beneficiary shall be the vendor named in the contract or agreement. However, in case the vendor requests that payment be made to an alias (a.k.a.) or Doing Business As (d.b.a) name or a Pay Agent, the identification of the a.k.a/d.b.a. name or Pay Agent must be included in the contract or agreement. The vendor shall be required to explain the use of an alias (a.k.a.) or D.B.A. name or its relationship with the designated Pay Agent. The general condition on prohibition of assignment of vendor rights and interests to third parties without the written consent and approval of the United Nations shall be strictly enforced. Under no circumstances will the United Nations effect payment to a personal or numbered account when the contract is with a vendor.
3. Changes in payment details. No change in payee beneficiary name or bank account information shall be allowed unless requested in writing and signed by an authorized official of the vendor and approved by the Chief, Procurement Division or the head of Procurement Section or Chief Procurement Officer or equivalent. In addition, in the case of bank account information, all changes must be endorsed for implementation by the Treasurer, in the case of Headquarters accounts, or the Chief of Finance or Chief Finance Officer or equivalent, in the case of Offices Away from Headquarters and Peacekeeping Missions or Political Missions. An amendment to the contract shall be issued to record changes in payment details.
4. Standardized funds transfer request form. Vendors shall be asked to complete the standard funds transfer form when submitting their payment details/banking information or when requesting

changes in banking information. The completed and signed form shall become part of the contract file.

5. Maintenance of Vendor Table. The Chief, Procurement Division at UN Headquarters, New York, and the heads of Procurement Sections of Offices Away from Headquarters, and the Chief Procurement Officers or their equivalent in Peacekeeping Missions and Political Missions shall oversee the maintenance of up-to-date vendor information in IMIS, Mercury or Sun System or any other system in use in the procurement area.
6. Maintenance of banking information details. The Treasurer at UN Headquarters, New York or the Chief of Finance of Offices Away from Headquarters, or the Chief Finance Officer of Peacekeeping Missions or Political Mission or their equivalent shall oversee the maintenance of the banking information details in the vendor table in IMIS or Sun System or any other system that may be in use.
7. Currency of payment. Payment shall be made in the currency specified in the contract. The Vendor must have a bank account denominated in the currency of payment which is maintained in the country where the designated currency is legal tender. If the currency of payment is not legal tender in the country where the bank account is domiciled, the vendor must agree to absorb all risks and charges and hold the UN harmless from any loss or damage resulting from any delay. In particular, the UN shall not be held responsible for any associated risks which may include, inter alia, exchange controls, capital controls, embargoes, redenominations, devaluations, defaults or convertibility restrictions. If the currency of the vendor's bank account is not the same as the currency of payment, the United Nations shall not be held liable for losses due to unfavorable currency conversion rate or for any processing delays or charges.
8. Multiple bank accounts. Multiple bank accounts will be allowed to be maintained only in exceptional cases after due consideration of the justifications submitted by the vendor.
9. Foreign currency control. In countries where a local vendor is expected to be subject to restrictions, moratoria or foreign currency controls, the United Nations must retain the right to pay the equivalent value in local currency, if foreign currency payment is requested.
10. Banking sanctions. If a payment needs to be made to an account in a financial institution subject to banking sanctions, it shall be the responsibility of the vendor to grant enough time for the

United Nations and the remitting bank or other banks to obtain the necessary licenses or exemptions.

11. Difficulty with funds transfer execution. In the event that banks advise the UN that they are unable to effect payment to the designated bank account, the vendor shall provide alternate payment instructions to the UN.

12. Deviation from standard procedures. Contracts of the United Nations should not include payment instructions inconsistent with the above standard procedures. When exceptional economic or financial conditions can be demonstrated, alternate arrangements may be approved either by the Controller or the Treasurer at UN Headquarters, New York or staff they may delegate.