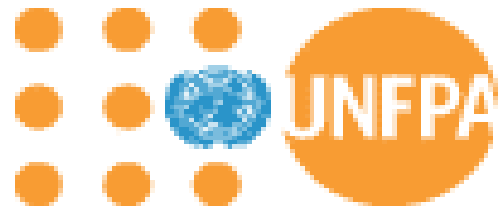


Policies and Procedures

Inventory Management

<i>Prepared by:</i>	Daniele Alesani, Tsitsi Soko, Alina Abdurahmanovic, <i>Finance Branch (FB)</i>	
<i>Reviewed by:</i>	Sabina Saeed, <i>FB</i>	
	Kristian Nielsen, Richard Cuddihy, <i>Procurement Service Branch (PSB)</i>	
	Joseph Abraham, <i>Commodity Security Branch (CSB)</i>	
	Nicole Kim, <i>PPM Secretariat, PD</i>	
<i>Cleared by:</i>	Subhash Gupta, <i>Director, DMS</i>	
	Andrew Saberton, <i>Chief, FB</i>	
	Eric Dupont, <i>Chief, PSB</i>	
	Jagdish Upadhyay <i>CSB</i>	



Inventory Management

Policies
and
Procedures Manual

Table of Contents

A.	PRINCIPLES OF UNFPA INVENTORY MANAGEMENT POLICY.....	6
A.1.	Scope.....	6
A.2.	Definition of Inventory.....	6
A.3.	Authorization to hold inventories	7
A.4.	Control and recognition of inventory	7
A.5.	Inventory ‘in transit’ and earmarked goods.....	9
A.6.	Exclusions from inventory.....	12
A.7.	Inventory Management Authority	12
A.8.	Inventory Management Principles	13
A.9.	Inventory Management Systems.....	13
B.	RECORD KEEPING AND MAINTENANCE OF INVENTORY DATA	15
B.1.	Principles, Roles and Responsibilities.....	15
B.2.	Inventory logistic cycle and main tasks	16
B.3.	Recording and Maintaining Inventory Data	18
B.4.	Inventory issuance	21
B.5.	Inventory Adjustments	22
C.	INVENTORY VALUATION AND FINANCIAL DISCLOSURE	24
C.1.	Valuation of Items in stock	24
C.2.	Valuation of inventory ‘in transit’	24
C.3.	End of year field offices’ inventory valuation – Overview.....	25
D.	SECURITY AND CONTROL OF INVENTORY	26
D.1.	Roles and Responsibilities	26
D.2.	Secure Storage.....	26
D.3.	Special Storage Conditions.....	27
D.4.	Insurance of UNFPA Inventory.....	27
E.	INVENTORY STORAGE	28
E.1.	Roles and responsibilities	28
E.2.	Types of Premises or Warehouses.....	28
E.3.	Operating conditions.....	29
E.4.	Security Reviews.....	29

E.5. United Nations Humanitarian Response Depot	29
F. INVENTORY LOSSES OR THEFT	30
F.1. Controlling Losses	30
F.2. Reducing Risk of Spoilage	30
F.3. Disposal of Unusable Inventory	31
F.4. Theft and Pilferage	31
F.5. Reducing risk of loss of inventory through fire	33
G. INVENTORY VERIFICATION AND CERTIFICATION	34
G.1. Types of Inventory Verification	34
G.2. Counting/reconciliation worksheet	35
G.3. Inventory Certification	35
ANNEX I: EARMARKED GOODS CUSTODY FORM	36
ANNEX II: INVENTORY RECEIPT FORM.....	37
ANNEX III: REQUEST FOR INVENTORY WRITE-OFF OR ADJUSTMENT FORM.....	38
ANNEX IV: PERIODIC INVENTORY COUNT/RECONCILIATION WORKSHEET	40
ANNEX V: YEAR END PHYSICAL INVENTORY COUNT INSTRUCTIONS.....	41
ANNEX VI: INVENTORY CERTIFICATION LETTER	46
ANNEX VII: AUTHORIZATION REQUEST TO HOLD INVENTORY.....	47
ANNEX VIII: GLOSSARY OF TERMS	48

A. PRINCIPLES OF UNFPA INVENTORY MANAGEMENT POLICY

A.1. Scope

A.1.1. This policy for inventory management focuses on the recording, tracking, and reporting of inventories with a particular emphasis on the operational control and financial reporting requirements aspects. The policy also extends to aspects such as the security, control, maintenance and disposal of UNFPA controlled inventory, whether purchased by UNFPA or obtained through a contribution in kind. Specific attention is given to the management, tracking and reporting of inventories held by field offices. Further important aspects linked to inventory management and reporting are included in the procurement policies and procedures and in the IPSAS policy on inventory. Please refer to these documents for detailed guidance.

A.2. Definition of Inventory

A.2.1. Inventory for UNFPA is defined as stocks of reproductive health commodities and other programme related goods under the **control** of UNFPA.

A.2.2. In accordance with the above definition, inventory includes:

- Stocks of reproductive health commodities, such as hormonal contraceptives and condoms
- Emergency Reproductive Health (ERH) kits as well as all prepositioned commodities and other reproductive health (RH) goods that are held for humanitarian response purposes and usually located at suppliers' premises.
- Medical equipment, devices, supplies and other non-commodity goods, e.g. electro-medical devices, beds and pillows.
- Census materials and equipment are also considered inventory.

A.2.3 The Procurement Service Branch (PSB) [Procurement Catalogue](#) represents an indicative list of UNFPA inventory items.

A.2.4. **Contributions in kind.** Programme related commodities and equipment acquired through a donation or a non-exchange transaction should be recognized as inventory for as long as they are under the control of UNFPA. An in-kind contribution can be accepted only pursuant to a formal agreement between the donor and UNFPA (see [UNFPA Pro Bono Contribution Policy](#)). R3 =

A.2.5 Based on its status and location at a given point in time, inventory held by UNFPA can be either 'static' or 'in transit'. Inventory is identified as 'static' when goods are stored in identifiable premises while inventory is considered to be 'in transit' at any point when it is not stored in identifiable premises (see A.5.1.).

A.3. Authorization to hold inventories

A.3.1 UNFPA maintains stock of inventory ('static' inventory) to respond to specific needs and in pursuance of its mission as an international development agency. In any case, UNFPA units holding inventory need to ensure promptly deliver to IPs to serve the best interest of beneficiaries.

A.3.2. Field offices that identify the need to hold stocks of inventory under their control on a regular basis in order to comprehensively execute their Country Programme, to fulfill requirements of Donor agreements or to adequately support implementing partners (IPs) must obtain authorization in advance from the Commodity Security Branch (CSB) at UNFPA Headquarters. The Head of Office (Regional/Country Representative) or his/her delegated authority shall complete the '[Authorization to hold inventories request](#)', providing justification of the need to hold inventories and identifying where goods will be stored. Existence of adequate conditions for storage of the goods must be ensured. The form should be sent to CSB for review. Final written authorization will be provided by Chief of CSB upon consultation with the DED Programme.

A.4 Control and recognition of inventory

Definition and indicators of control

A.4.1. As a general rule, UNFPA controls inventory whenever it has authority to decide what to do with the inventory. The primary indicator of control is legal ownership by UNFPA, i.e. UNFPA holds the legal title to the goods. Additional indicators of control are the following:

- i) UNFPA is consignee of the goods
- ii) UNFPA insures the goods during transportation;
- iii) UNFPA executes in its name the custom clearance procedures for the goods at entry in the country of distribution (only applicable for international purchases);
- iv) UNFPA controls access to goods and / or decides on their destination.

A.4.2. UNFPA is not in control of the goods when it acts only as the procurement agent, i.e. goods procured for Third Party Procurement (TPP) agreements and directly shipped to the TPP client.

A.4.3. Normally UNFPA is in control of goods eligible as inventory from 1) the moment ownership is transferred to UNFPA until the moment the inventory is distributed or handed over physically to specific IPs or 2) the moment it 'earmarks' the inventory for specific IPs (see A.5.2.).

A.4.4. It is important to note that physical custodianship of goods is not in itself a determinant of control; for example, the fact that goods are held at implementing partners' owned premises (i.e. Ministry of Health's warehouses) does not automatically exclude control by UNFPA if UNFPA can still determine when and how goods are distributed to further IPs or beneficiaries. A specific case of this kind regards prepositioned commodities, which are usually stored at third party premises shall be considered UNFPA

inventory until their distribution. Vice versa, the fact that UNFPA physically holds goods at its premises does not automatically mean that these are inventory of UNFPA, as the organization may have already released control to the IPs through the 'earmarking' process (see para. A.5.2 below).

A.4.5. It is important to establish a link and maintain consistency between the notion of control defined above and the programmatic aspects of RH goods/other programme-related goods distribution. In principle, goods procured by IPs under their respective AWP and will not be part of UNFPA inventory. If procurement of the goods is done by UNFPA directly this needs to be included in UNFPA's AWP.

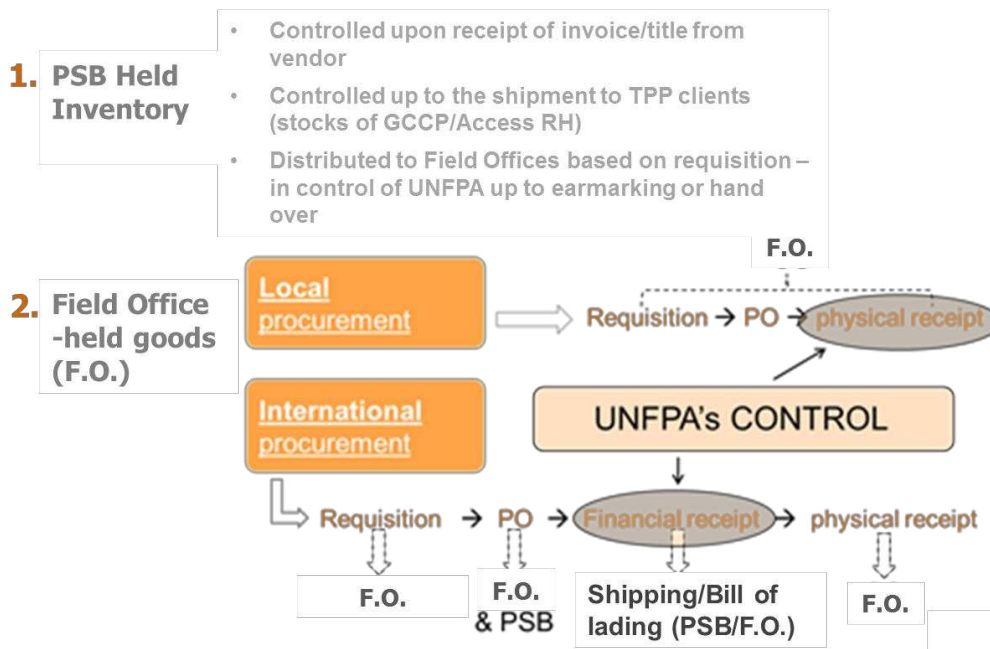
Recognition of Inventory

A.4.6. Goods procured by PSB for the purpose of increasing or replenishing UNFPA owned stock are recognized as inventory at the point where ownership of the goods is transferred to UNFPA, which for vendor held inventory typically occurs at the time of receipt and acceptance of the invoice. PSB stocks are mainly held for the Global Contraceptive Commodity Programme (GCCP) and Access RH programmes and held at vendors' premises.

A.4.7. Goods locally procured by field offices (i.e. 'in-country' procurement) are controlled by UNFPA upon physical receipt by the receiving unit. The related purchase order(s) are also at this time received in Atlas by the receiving field office.

A.4.8. Goods internationally procured are controlled by UNFPA upon receipt of legal title to the goods, normally through a bill of lading or receipt of official shipping document. This kind of procurement is done by PSB on behalf of field offices or, where permissible by procurement procedures, by the field offices directly. The related PO(s) are concurrently 'financially received' in Atlas by the unit executing the procurement (respectively PSB or the field office). Points of recognition of inventory are represented in **Figure 1** below.

Figure 1. Recognition of Inventory in UNFPA.



Financial and physical receipt

A.4.9. 'Financial receipt' of internationally procured goods happens when UNFPA obtains the legal title to the goods, normally through a bill of lading or receipt of official shipping document. This normally closely follows the shipping of the goods by the vendor. 'Financial receipt' of these goods also corresponds to the moment of receipt of the PO related to these goods in Atlas.

A.4.10. 'Physical receipt' of internationally procured goods happens at the port of entry of the destination country upon completion of custom clearance procedures, inspection and verification of correspondence of physical quantities and integrity of the goods to the order and the bill of lading/other available transportation documents. Normally, a detailed Receipt and Inspection (R&I) report is prepared and signed by the receiving UNFPA staff member to document this process. Clear receipt documentation must be in place.

A.4.11. 'Physical Receipt' of locally procured goods depends on the General Terms and Conditions of the contract signed by the field office. Normally, goods are receipted at point of handover to the UNFPA field office representatives, upon inspection and verification of correspondence and integrity of the goods to the order. Clear receipt documentation must be in place, including the R&I report, the bill of lading (when available) and any other shipping and custom related documents. 'Physical receipt' of these goods also corresponds to the moment of the receipt of the PO related to these goods in Atlas.

A.5. Inventory 'in transit' and earmarked goods

A.5.1. Inventory in transit

A.5.1.1 Normally UNFPA controls goods 'in transit' which it owns and of which it is the consignee. Inventory is defined as 'in transit' at any point when it is not being stored in identifiable premises/warehouses, for example when goods are being transported from one location to the next or

when they are stationed at the port of entry. Based on UNFPA's business model, inventory in transit falls into either one of the following scenarios:

- internationally procured goods which have been financially received by PSB or by the ordering field office and are being shipped to the destination country or have not yet been physically received pending customs clearing and inspection;
- physically received goods temporarily stationed at the port of entry;
- physically received goods that are being transported within the destination country and have not yet been earmarked or handed over to an implementing partner.

A.5.2. Earmarking of inventory

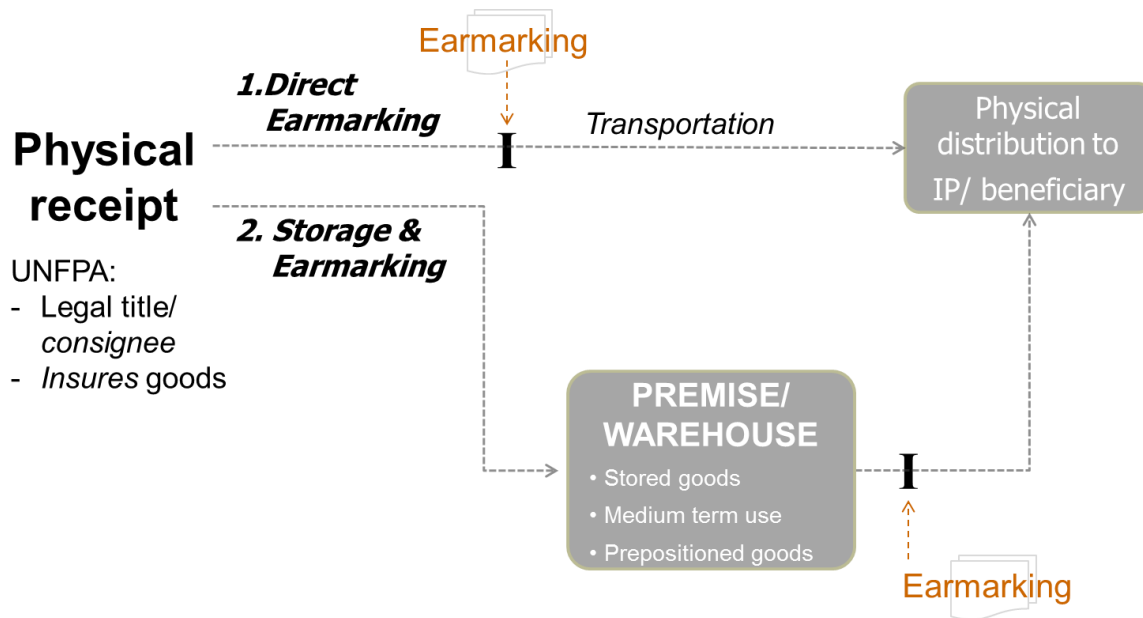
A.5.2.1. Earmarking of inventory is the process through which UNFPA passes control of goods to a third party (usually IPs or beneficiaries) while still temporarily maintaining physical custodianship and/or legal ownership of those goods¹. **Upon earmarking, goods are excluded from UNFPA inventory.**

A.5.2.2. Earmarking of goods may only happen after their physical receipt by the UNFPA field office. Physical receipt for internationally procured goods happens at the destination country. The IP or beneficiary to whom control is passed must be able to inspect goods and verify correspondence and agreements related to the goods.

A.5.2.3. From the perspective of field offices, earmarking can respectively happen either directly upon physical receipt of the goods (e.g. for internationally procured goods at the port of entry of the destination country) or after goods have been stored at premises/warehouses where they are controlled by UNFPA (figure 2). A common situation where field offices shall use the earmarking process to limit its liability is when UNFPA and IPs agree that the IP will take responsibility of the goods at the port of entry of the destination country upon completion of custom clearance but delays occur in the pick-up process.

¹ In the context of this guidance 'earmarking' is defined in the perspective of the field offices. On the other hand, PSB 'earmarks' goods which are reserved for future probable utilization to fulfill clients' requests – these goods remain part of UNFPA's inventory even after 'earmarking'.

Figure 2. Earmarking of goods.



A.5.2.4. Goods are defined as **earmarked** if:

- they are physically received by UNFPA at the destination country; and
- goods are held by UNFPA on behalf of a specific Implementing Partner/Beneficiary consistent with the UNFPA mandate; and
- UNFPA does not substantially control the goods and does not bear any risks and rewards of ownership of the goods, which rests with the Implementing Partner/Beneficiary.

A.5.2.5. In particular, field offices need to explicitly agree with the Implementing Partner/Beneficiary that although UNFPA is the physical custodian of goods, control of these goods including, any risks and rewards related to holding these stocks, rests with the Implementing Partner. For this purpose, the [“Earmarked Goods Custody Form”](#) must be completed and signed by both parties. Once this form is completed and signed, all goods shall be considered “earmarked” and therefore excluded from UNFPA inventory.

A.5.2.6 Since in principle UNFPA has responsibility and bears potential liability for ‘inventory in transit’, it is highly recommended to shorten, to the extent possible, the time between the 1) physical receipt of goods, 2) the inspection of those goods by UNFPA and the IP, and 3) completion of the earmarking form.

A.5.2.7 Completion of the earmarking form is mandatory. It must be signed and filed for all goods in UNFPA’s custodianship and for which control is released to IPs or beneficiaries before the physical hand over. Failure to do so exposes UNFPA to material liability and mis-accounting of inventory balances

A.5.2.8. UNFPA must ensure that the same level of security and protection provided to UNFPA inventory is also provided to earmarked goods until the point of collection or physical hand over to the Implementing Partner/Beneficiary.

A.5.2.9. It is important to note that earmarked goods may be stored at UNFPA premises. These goods must not be included as UNFPA inventory during the periodic physical count required by this procedure.

A.6. Exclusions from inventory

A.6.1. Consumables such as office supplies are not considered inventory and are instead expensed as received. Assets such as computers and furniture and fixtures are regulated by the [UNFPA Asset Management Policy](#).

A.6.2. Under Third Party Procurement (TPP) agreements² UNFPA procures goods on behalf of third parties (the TPP 'client'). TPP orders can be sourced by PSB either through ad hoc orders to vendors ('fresh production') or through existing PSB-held stock.

A.6.3. Fresh production goods are never owned by UNFPA – ownership passes directly from the vendor to the TPP client. Therefore these goods are excluded from UNFPA's inventory. When PSB-held stocks are shipped to the TPP client they are no longer under the control of UNFPA and are therefore no longer considered as UNFPA inventory.

A.6.4. When a third party uses procurement and freight forwarding services and expertise of UNFPA to order specific goods from supplier on their own behalf without any benefit or risk of loss to UNFPA, the underlying goods are not considered UNFPA inventory.

A.7. Inventory Management Authority

A.7.1. UNFPA Regional Directors, UNFPA sub-regional office directors, UNFPA Representatives, UNFPA Country Directors, hereafter collectively referred to as "heads of office", as well as the Chief, Commodity Security Branch (CSB) and Chief, Procurement Services Branch (PSB) are responsible for inventory management on behalf of the Executive Director.

A.7.2. The Chief, PSB is responsible for inventory management of PSB-held goods. The Chief, CSB is responsible to oversee and support inventory management at the field office level. The Chiefs, CSB and PSB and the Heads of office may further delegate inventory management authority to their staff to carry

² Please refer to the ["Guidance Note for Third Party Procurement and Co-financing modalities when signing an agreement with donors"](#) for further detail on TPP as funding modality.

out inventory management tasks. The heads of office are responsible for inventory management of goods held by their respective offices and for compliance with all relevant financial regulations, rules and based on their roles and responsibilities.

A.7.3. UNFPA Country Representatives, together with the Regional Directors, are responsible for ensuring compliance with all policies and procedures related to inventory management.

A.7.4. Delegation of inventory management authority is granted on an individual basis. Each individual who has been delegated authority to use, record, secure, maintain and/or dispose of an asset is responsible for adhering to the policies described herein.

A.7.5 Finance Branch supports the process of valuation of inventory and manages all aspects related to financial reporting and disclosure in the statutory reports of UNFPA.

A.8. Inventory Management Principles

Those responsible for UNFPA Inventory Management are to be guided by the following principles:

- i. Ensure timely delivery of goods to IPs and beneficiaries on the ground.
- ii. Ensure integrity and accuracy in financial and administrative recording of inventory.
- iii. Promote consistency and accuracy in the valuation and reporting of UNFPA inventory.
- iv. Promote compliance with relevant CSB, PSB and financial guidelines.
- v. Ensure UNFPA inventory is properly safeguarded, stored and managed, to avoid spoilage, waste and theft.
- vi. Safeguard the best interest of final beneficiaries in the distribution of UNFPA inventory.

A.9. Inventory Management Systems

A.9.1. Units Holding Inventory

In principle, UNFPA inventory is held either by PSB or by field offices. Any field office which must hold inventory is expected to request authorization based on the procedure summarized in paragraph A.3.

In recognition of the different needs and level of administrative capacities between PSB and field offices, UNFPA has adopted two different information systems to manage and track inventory.

A.9.2. Atlas Inventory Management Module (IMM)

PSB manages and tracks inventory through the Inventory Management Module (IMM) fully integrated in the Atlas ERP system.

A.9.3. Field offices' inventory information systems – CHANNEL and OTS

Field offices manage and track inventory through CHANNEL. This software, first adopted by UNFPA to support implementing partners to manage their own healthcare commodities, has more recently been adapted to suit the needs of UNFPA inventory management. Field offices authorized to hold inventory must use CHANNEL on an ongoing basis to comprehensively manage their inventory flows and adjustments. The remaining other Offices will utilize the software to report on inventory in transit only at year end.

Field offices track physical receipt of internationally procured goods through the Order Tracking System (OTS).

B. RECORD KEEPING AND MAINTENANCE OF INVENTORY DATA

B.1. Principles, Roles and Responsibilities

B.1.1. The Chief, PSB is responsible and accountable for ensuring the maintenance of complete and accurate records of inventory received and/or held under the control of PSB. In practice, the required work will generally be delegated to the Inventory Focal Point (IFP) or other UNFPA staff member as delegated by the Head of the Office.

B.1.2. In Field Offices, the Head of Office is responsible and accountable for the maintenance of complete and accurate records of inventories received and/or held under the control of UNFPA. The Head of Office is also responsible for ensuring that documentation for earmarking and hand over of inventory is properly and timely completed and filed. In practice, the required work will generally be delegated to the IFP. This function can be accomplished by the Operations Manager (OM), by a Programme Officer, by an Administrative Assistant or by other UNFPA staff member identified by the Head of Office.

B.1.7. In order to establish good internal controls and to respect the principle of segregation of duties, a staff member other than the IFP should be responsible for physical management of inventory. This reduces risk of unauthorized purchases, inefficient usage and theft of goods. Where the IFP also performs physical management functions, a second review of the tracking and reporting functions should be provided by the supervisor or a more senior member of management in the office. Whenever possible, procurement functions should not be assigned to the IFP.

B.1.3. The Head of Office is responsible for ensuring that IFPs are adequately trained to perform their duties with regards to inventory management and tracking/recording. The Head of Office is responsible for certifying the physical amount of inventory by main item categories held by his/her Unit as of year-end by verifying and signing the [Inventory Certification Letter](#) no later than 31 January/current year.

B.1.4. The UNFPA Regional Directors are responsible for supervision and control over inventory operations at the Country Office level within their delegated authority.

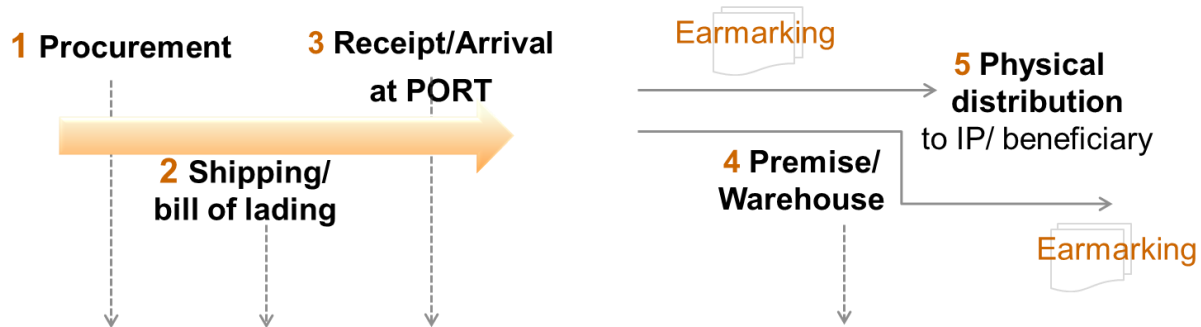
B.1.5. The Chief, CSB supports and oversees the correct tracking and reporting of inventory data by field offices. In practice, this function may be delegated to a designated staff member in CSB.

B.1.6. Any staff member who is involved in the procurement cycle involving inventory is responsible to comply with the requirements of this policy, in particular with regards to receipting.

B.2. Inventory logistic cycle and main tasks

B.2.1. The figure below represents the logistic cycle of inventory from the field offices' perspective.

Figure 3. Inventory logistic cycle in UNFPA



B.2.2. All goods and commodities should be ordered through the normal procurement cycle. A requisition is raised by a field office and a purchase order (PO) is issued by PSB or the field office itself to source the request to a vendor. Requests from field offices can alternatively be sourced through goods available in PSB stock to speed up delivery. In this situation, there is no PO raised and PSB manages the request directly through the Atlas Inventory Management Module (IMM). PSB maintains stocks under UNFPA control at vendors' premises, mainly funded through the GCCP and Access RH programmes.

B.2.3. Internationally procured goods (*for definition see A.4.8*) are normally considered 'inventory in transit' from the moment of receipt of the bill of lading to the moment of storage in premises/warehouses or the direct physical distribution/earmarking, whatever occurs first. With reference to goods internationally procured by PSB, it is PSB's responsibility to ensure that vendors of internationally procured goods upload the expected and actual delivery dates (=shipping date) and expected delivery dates (=physical receipt) in the Order Tracking System (OTS) for all executed orders. **Physical receipt of internationally procured goods must be recorded by receiving field offices' IFP in the Order Tracking System (OTS).**

B.2.4. Locally procured goods (*for definition see A.4.7.*) are recorded in Atlas upon physical receipt of the goods by the field office. Physical receipt is defined in paragraphs A.4.9-11. To comply with the delivery principle for recognition of expenses and with the principle of control for recognition of assets, it is fundamental for staff recording the receipt of POs in Atlas to perform this action at the appropriate time with reference to the financial/physical receipt of the goods and NOT to anticipate it.

B.2.5. It is responsibility of the UNFPA staff to inspect the goods and to ensure the full correspondence between the goods ordered, the shipping documents specifications and the goods physically received. In case of non-correspondence, adequate actions shall be taken consistently with the procurement

procedures and the general terms and conditions of the contract with the suppliers (*for further reference see A.4.9-11 above*).

B.2.6. Financially received goods not yet physically received are considered inventory ‘in transit’. Physically received goods are considered inventory ‘in transit’ until they are either:

- ‘earmarked’ (A.5.2);
- stored in identifiable premises (at which point they would be considered “static” inventory) or
- physically handed over to Implementing Partners or to final beneficiaries.

As mentioned in Section A, goods can either be directly distributed/handed over to IPs or temporarily stored in premises/warehouses and then distributed/handed over.

B.2.7. In principle, inventory stored under UNFPA’s control can be either held by PSB at vendors’ premises or held by field offices under UNFPA’s or third party controlled premises. Sometimes inventory can be stored in premises which are not controlled by UNFPA (i.e. Ministry of Health premises) but goods still remain under UNFPA control. PSB uses the Atlas IMM to systematically track additions, issuances and adjustments to inventory under their control. Field offices use CHANNEL to systematically track additions, issuances and adjustments to inventory under their control. Offices that are not authorized to hold inventories only record inventory ‘in transit’ at the end of the year and report it through CHANNEL.

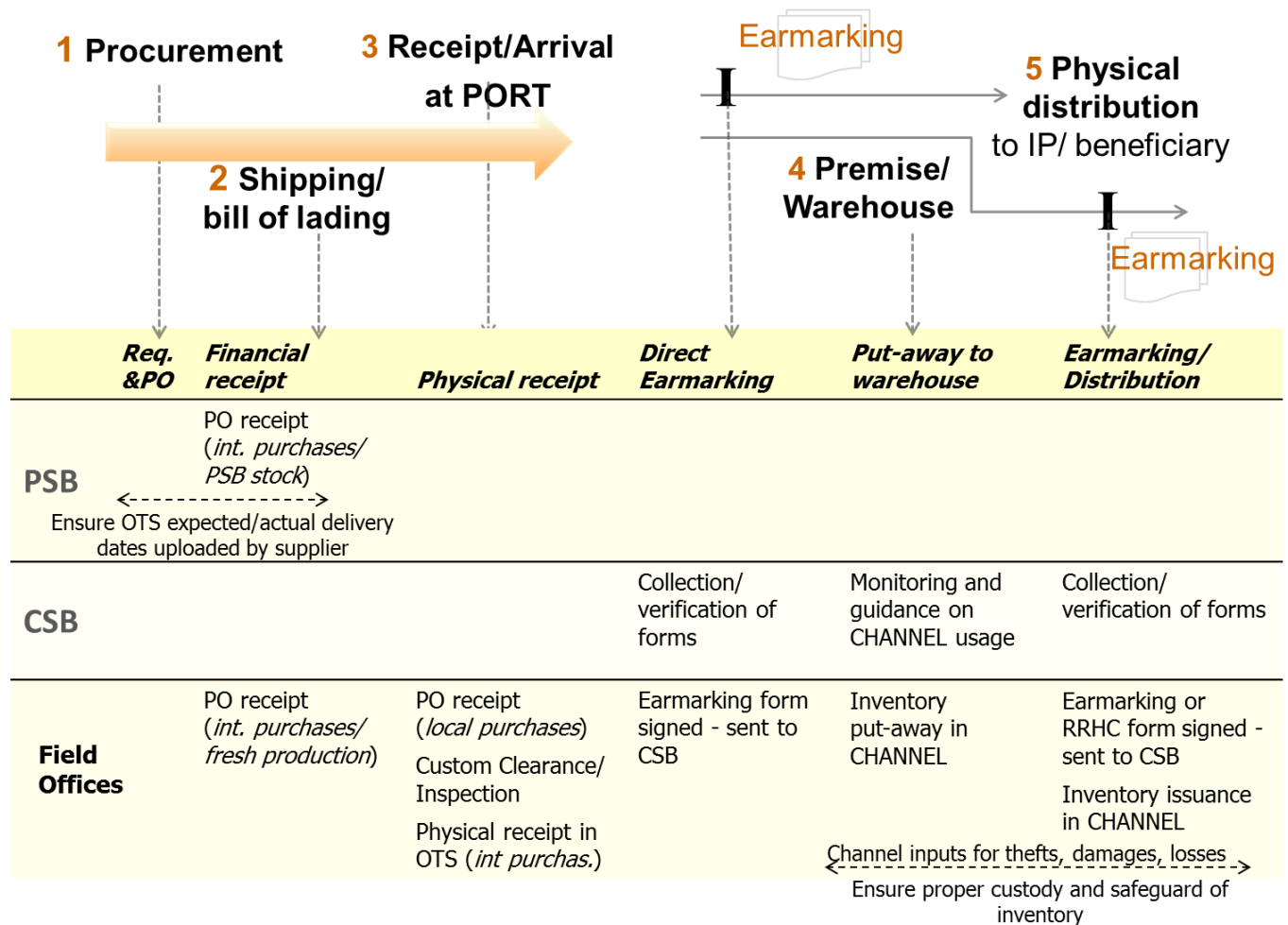
B.2.8. It is very important that proper earmarking ([Earmarked goods custody form](#)) or hand over/receipt forms ([Inventory Receipt form](#)) are signed by a UNFPA staff member (normally the IFP) and IPs’/beneficiaries’ designated representatives since without these documents UNFPA continues to bear control and responsibility of inventory. All signed earmarking forms must be uploaded in CHANNEL. This holds valid for both field offices which are authorized to hold inventory and for all other units. .

B.2.9. It is very important to note that in case the goods are shipped to the destination country in UNFPA name, custom cleared by UNFPA and then transported by the IP to their premises, the goods will need to be physically received as custom clearance and inspections are completed and a receipt form will need to be signed at the moment of pick-up of the goods by the IP at the port at the presence of UNFPA representatives. This is fundamental to avoid future possible liabilities for UNFPA based on IPs’ claims of lack of correspondence between the promised and the delivered goods.

B.2.10. In its function of facilitation and oversight of inventory management on the field, CSB periodically monitors the use of earmarking and receipt forms by field offices and offers guidance and administers the use of CHANNEL by field offices.

B.2.10. The figure below summarizes the inventory logistic cycle tasks allocated to PSB, CSB and field offices.

Figure 4. Inventory logistic cycle - tasks by subject.



B.3. Recording and Maintaining Inventory Data

B.3.1. Order Tracking System

B.3.1.1. OTS is the main system used by PSB to track the receipt status of internationally procured goods ([link to OTS](#)). PSB must ensure that Vendors input the expected and actual delivery date (date in which goods are shipped) and arrival date (date in which goods arrive at the port of entry of the receiving country) in to OTS. Field offices must input into CHANNEL, on a timely basis, the date of physical receipt and therefore become physically controlled by UNFPA. Physical receipt in OTS must to be recorded for all goods, regardless of whether those goods will be directly distributed to IP/beneficiaries or temporarily stored in premises/warehouses. Receipt data in OTS will be also used to track inventory in transit as of year-end.

B.3.1.2. PSB is responsible for ensuring vendors comprehensively fill in required information in OTS. Receiving units are responsible for recording all physical receipts into OTS on a timely basis.

B.3.2 Tracking of Inventory in transit – year end procedure

B.3.2.1. Beginning in 2012, goods in transit will be identified by all field offices as part of the year-end procedures. All field offices will be required to identify goods that as at 31 December of each year are:

- financially received in Atlas but not yet physically received (internationally procured goods only);
- physically received but still 'in transit' because the goods have neither been earmarked/handed over to IPs/beneficiaries nor moved into the designated premises/warehouses (internationally and locally procured goods)

B.3.2.2. Because UNFPA does not have an *ad hoc* information system to track inventory in transit, this exercise will require a partially 'manual' effort by field offices. Regular maintenance of a comprehensive physical archive and timely electronic filing of earmarking and hand over forms will greatly help the identification of inventory still in transit as at year-end. The consistent use of OTS by field offices would also greatly help this exercise.

B.3.2.3. It is expected the large majority of the inventory in transit as of year-end to be internationally procured goods. To support the identification of these goods, Finance Branch at UNFPA Headquarters will issue a list of POs related to goods received in the last three months of the financial year to each field office. Offices shall also identify and report any other goods that are still 'in transit' as of year end but are not included in the list of POs sent by FB, for example because locally procured or internationally procured and financially received in Atlas before October 1st. Upon review and identification of all goods in transit as of 12/31 of each year, each field office will upload the inventory data in CHANNEL. The uploading procedure is described below and is the same as what is done to record the addition of goods in stock.

B.3.3. Tracking of Inventory held in premises or warehouses through CHANNEL and IMM

B.3.3.1. CHANNEL functionalities are primarily intended to support management of field offices' inventory held in physical premises or warehouses where goods are in UNFPA's control.

The basic inventory operations in CHANNEL are inventory additions (receipts) and issuances.

B.3.3.2. Additions (also called 'put away') are managed through two separate tabs, depending on whether the goods are being 'internationally' or 'locally' procured. The former are procured through the Procurement Service Branch (PSB) while the latter are procured independently by field offices.

B.3.3.3. Addition of internationally procured goods in the warehouse requires users to input the product/item name (a search functionality linked to PSB procurement catalogue is available in CHANNEL), the PO number, the purchasing fund code for the goods, and the physical quantity of goods. CHANNEL is linked to PSB procurement catalogue; hence it proposes an automatic connection to product categories/sub-categories and to product unit prices. While unit prices are automatically filled by the system, IFPs can modify this information and are encouraged to do so to reflect more accurate

information for financial reporting purposes. Other costs associated with the inventory –e.g. transportation, testing- shall be estimated -based on actual PO values or break down by monetary value of received goods- and the related field shall be filled in.

B.3.3.4. Addition of locally procured goods in the warehouse requires users to input the product/item name, the PO number, the purchasing fund code for the goods, the physical quantity of goods, the unit price and the currency of settlement. Please note that the unit price is a mandatory field of this form. A standardized database of locally procured goods is maintained by CSB. If users need to add items that are not included in this database, they are directed to an addition request form in CHANNEL which is then subsequently directed to CSB at UNFPA Headquarters. Users must complete the form indicating the name of the item to be added and its association with one of the ‘categories’ suggested by the system (e.g. contraceptives, medical kits).

B.3.3.5. Shipping and other transportation costs are added to the value of the goods. The CHANNEL ‘add stock’ page includes a separate field to input these costs. In case of multiple items received through the same shipment, field offices must split the shipping and transportation costs based on the monetary value of each item. It is responsibility of the IFP to ensure that transportation costs are adequately recorded at the ‘put-away’ step of inventory in CHANNEL.

B.3.3.6. Donated goods stored in physical premises/warehouses and under the control of UNFPA need to be recorded in CHANNEL using the ‘locally procured’ tab. Donated goods not physically managed by UNFPA but still under the control of the organization as at year-end must be recorded in CHANNEL as ‘in transit’. Field offices receiving donations in kind must notify CSB and Resource Mobilization Branch (RMB) at UNFPA Headquarters about the details of these goods, including their ‘fair value’, which is estimated based on the donor agreement or other document attesting UNFPA’s ownership over the goods. CSB will then verify and validate the cost estimate.

B.3.3.7. Issuances and earmarking are performed through the ‘picking list’ functionality. The picking list allows field offices to select items to earmark or to physically hand over to IPs/beneficiaries. The following elements are visible through the list: product name, lot/batch, expiration date, fund code, quantity on hand. Different lots of the same items are displayed in expiration date order.

B.3.3.8. Additions and issuances of inventory stored in third party premises –e.g. prepositioned goods, goods held at Ministries of Health’s premises- shall be managed through CHANNEL. The field office IFP shall maintain close contact with the third parties’ representatives handling the goods. These parties are accountable to handle UNFPA’s goods consistently with the IFP’s disposition. Field offices’ IFPs (NOT third parties) are responsible to record additions and issuances in CHANNEL. Regardless the location of inventory storage, receipt and earmarking forms shall be consistently signed and filed by IFPs.

B.3.3.8. PSB keeps track of its inventory, including issuances, additions and adjustments through Atlas IMM module. Separate guidelines are maintained by PSB on the operations in IMM.

B.3.4. Tracking of earmarked goods as at December 31st

B.3.4.1. All earmarking forms must be signed, filed, scanned and uploaded by the field offices' IFP in CHANNEL by the year end, or by the date of the periodic inventory count/accounts closure (Annex IV). Earmarking of goods happens more frequently towards year-end or in correspondence of a periodic inventory count, in order to identify the goods that are under physical custody of UNFPA or are legally owned by UNFPA but on which UNFPA does not exercise control.

B.3.4.2. All field offices are required to keep adequate track of earmarked goods. In particular, field offices are required to properly sign earmarking forms for goods earmarked and under UNFPA's custodianship as of year-end and to upload the earmarking forms into CHANNEL.

B.4. Inventory issuance

B.4.1. Roles and Responsibilities

B.4.1.1. Procurement Services Branch - The Chief, PSB is responsible for the transfer of inventory. In practice, this authority will generally be delegated to the IFP (s).

B.4.1.2. Field offices - In regional, sub-regional, country and liaison offices, authority for issuance of UNFPA inventory rests with the Head of Office and may be delegated to the IFP.

B.4.1.3. The IFP is responsible for ensuring that all issuances are properly approved and recorded, that any transfer of assets follows the policy contained herein, and for reporting issues and concerns to the IFP. The inventory focal point (or other designated staff) shall ensure that inventory goods are issued on a 'First In, First Out' basis being cautious that expired inventory goods are not issued. For field offices authorized to maintain inventory, CHANNEL provides inventory listing based on expiration date and does not allow users to pick goods that have already expired.

B.4.2. Inventory issuance by field offices

Issuance of inventory normally corresponds to physical hand over of goods under UNFPA's control to third parties, normally implementing partners. The [Inventory Receipt form](#) (IR form) shall be signed in correspondence with every issuance of UNFPA inventory either managed 'in transit' or held at UNFPA's premises. When field offices issue stocks managed through CHANNEL, the picking list screen leads to a standardized IR form which can be printed and signed. All other field offices which are not authorized to hold inventory (and therefore do not use CHANNEL for warehouse management) will use a hard copy of the IR form.

When goods previously earmarked for a given IP are physically handed over a IR form needs to be signed. This form will refer to the details of the goods included in the earmarking form previously signed.

B.5. Inventory Adjustments

B.5.1. Definition and periodicity of adjustments

B.5.1.1. Inventory adjustments are done to reflect changes in the value or quantity of goods held by UNFPA. IFPs are responsible for properly recording adjustments based on identification and review of evidence.

B.5.1.2. Identification of inventory to be adjusted will be done on a case by case basis under the supervision of the staff member different from the one to whom the physical management of inventory is delegated :

- at the time of the periodic inspection of UNFPA controlled premises or warehouses;
- at the periodic and year-end inventory count;
- when inventories are known to be obsolete or have expired shelf life;
- when an error concerning the volume or value of inventory goods is discovered in the basic addition and issuance operations;
- when information on decline of fair value is communicated by PSB or other Headquarter units (this is an exceptional circumstance and is not activated by field offices).

B.5.1.3. Periodic inspection and verification of UNFPA premises to verify and reconcile data in IMM (PSB) or CHANNEL (field offices) is highly recommended during the year and is mandatory at year end or at the date of interim accounts closure. When a stock of items needs to be completely removed from UNFPA inventory for any reason, this operation is called 'write-off'.

B.5.2. Authorization to perform adjustments

B.5.2.1. Upon identification of the causes of adjustment and the amount/quantity to be adjusted, every adjustment needs to be properly documented and justified by the IFP through the [Request for Inventory Write off or Adjustment Form \(RIWA form\)](#).

B.5.2.2. Requests for inventory adjustments/write-offs must be supported by valid reasons to be included in the RIWA.

Adjustments and write offs normally imply a financial loss for UNFPA. Based on the current interpretation of FRR Rule 114.10, *"losses of inventory within the amount of the authorized waiver of US\$2,500 the RIWA form will be submitted to the Chief, Finance Branch for review and approval."*

Any request form for an inventory loss value above the waiver amount must be first submitted to the Chief, Finance Branch with copy to the Chief, CSB. Such request will be forwarded for review to the Office of the Director, Division of Management Services (DMS) at UNFPA Headquarters which will be followed by a formal request for write-off made by the Office of the Director, DMS to the Executive Director, UNFPA.

Regardless of the amount of the loss, the request must always be brought to the attention of the Director, DMS if there is any allegation of misconduct.

B.5.2.3. Upon submission and approval of the RIWA form, the adjustment is made by the IFP or other delegated staff to the recorded value of inventory in the Inventory Management Module in Altas or CHANNEL.

With reference to CHANNEL, the 'picking list' tab allows users to select the kind of adjustment (i.e. loss due to expiration, to theft, to damage, others) and requires the user to input the physical quantities to be adjusted as well as the justification for the adjustment.

B.5.3. Inventory quantity adjustments due to spoilage, damage, theft or other reasons

B.5.3.1. Inventory damage or expiration (spoilage)

Inventory Spoilage occurs when inventory expires. [Section F.2. Reducing Risk of Spoilage](#) addresses some procedures that can be adopted and implemented in countries that store UNFPA inventory in order to reduce the risk of loss.

In CHANNEL, recording of inventory spoilage is performed through the issuance procedure. In the picking list screen the user will select the option 'inventory loss due to damage' or 'inventory loss due to expiration' in the field 'Adjustment'.

B.5.3.2. Inventory Theft

Inventory Theft is defined as stealing of inventory from UNFPA warehouse premises.

Once the inventory loss is ascertained, field offices' IFP must record the loss in CHANNEL by selecting the adjustment 'inventory loss due to theft' in the field labeled 'Adjustment'. For inventory theft the field office must refer to the guidance detailed in [Section F.4. Reporting Inventory Loss or Theft](#).

B.5.3.3. Inventory Loss Due to 'other reasons'

Occasionally, reasons for loss can be unknown, for example when discovering differences between the volume and composition of items recorded in IMM (PSB) or CHANNEL (field offices) and those physical goods observed at UNFPA premises during periodic inventory counts.

Once inventory loss due to 'other reasons' confirmed, the IFP must record it in IMM or CHANNEL by selecting the adjustment 'inventory loss due to others' in the field labeled 'Adjustment'

C. INVENTORY VALUATION AND FINANCIAL DISCLOSURE

The value of inventory held by UNFPA is disclosed in its Financial Statements and other relevant statutory reports. The following year-end procedure must be followed to ensure the comprehensive and IPSAS-compliant valuation of inventory.

C.1. Valuation of Items in stock

C.1.1. Items in stock held by PSB are valued through Atlas IMM data. This information system captures the actual cost of goods including accessory costs, i.e. testing and insurance.

C.1.2. Items held in stock by field offices are tracked through CHANNEL. The UNFPA procurement catalogue includes standard costs for all internationally procured items and these costs are captured by CHANNEL as well. The actual cost of these goods varies, for example in relation to the size of the orders. To account for these variances, internationally procured goods will be valued by PSB based on the weighted average cost methodology. With regards to transportation costs to be capitalized as part the overall cost of inventory, a standard transportation charge amount per unit dollar of inventory will be determined by PSB based on the overall transportation costs borne in a given year for shipment of internationally procured goods. Since there is no corporate point of reference with regards to cost of locally procured items held in stock by field offices, they will be valued based on cost information imputed by IFPs in CHANNEL at the moment of addition/put-away. For these goods users are required to input the currency of transaction, the acquisition cost of the goods and any other shipping, transportation and accessory costs.

C.2. Valuation of inventory 'in transit'

C.2.1. It is expected that the vast majority of the items held 'in transit' as of year-end will be internationally procured goods. This will be at least partially a manual exercise, since to date there is no information system to comprehensively track inventory in transit. In order to support the identification of this inventory, the Finance Branch will issue to each field office a list of POs related to goods received in the last three months of the year. Further support is offered by OTS data on status of receipt of goods. Internationally procured goods in transit will be valued based on the actual USD amount of the orders assessed by the receiving offices as in transit as at the end of the year. Any locally procured good which may still be in transit as of the end of each year will be valued based on the USD amount of the PO raised by the ordering office.

C.2.2. Goods in transit data –item name, value, PO reference, purchasing Fund Code- will be uploaded in Channel by Units holding them. This process and the correctness of the data entry will be supervised and verified by CSB.

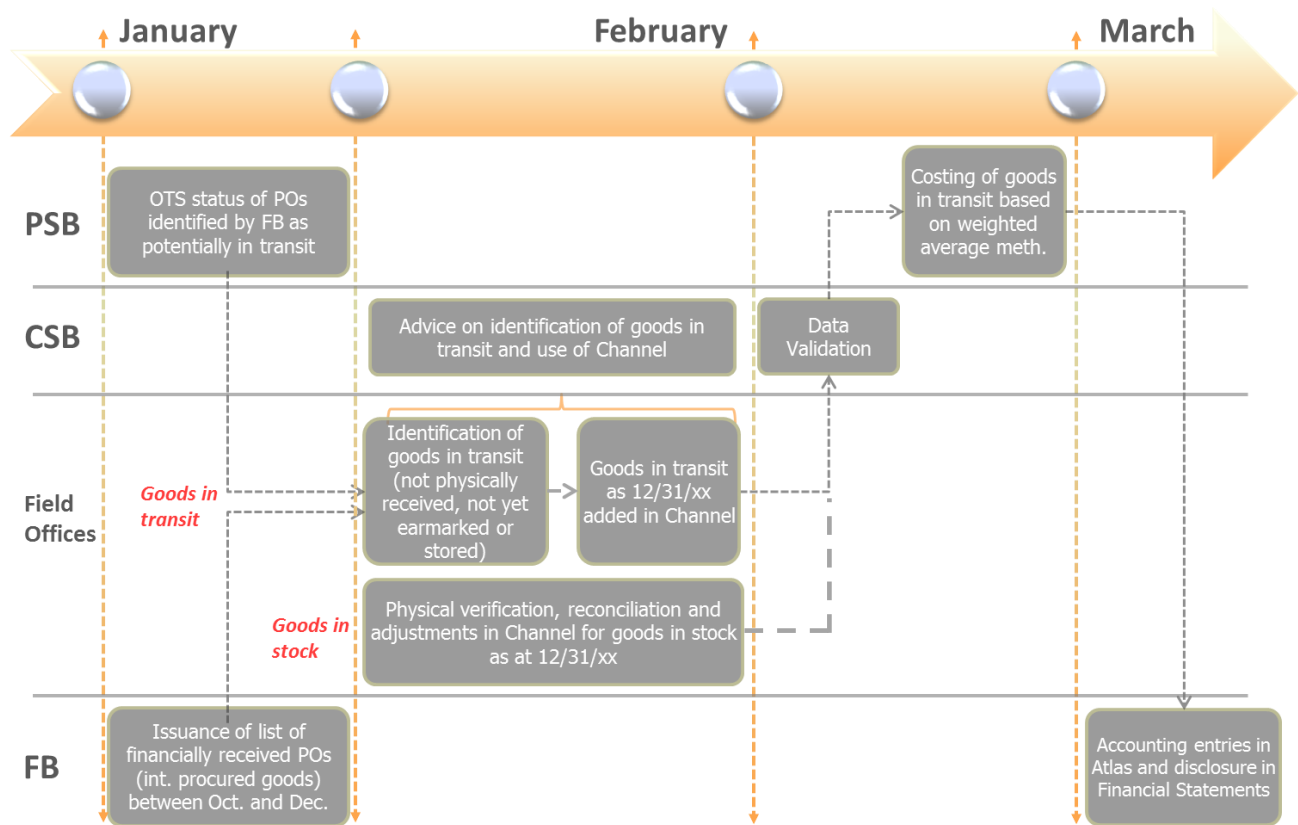
C.2.3. During the process of year-end inventory verification and valuation CSB will advise units on the usage of CHANNEL and liaise with units to validate the correctness of the process followed by them.

Finance Branch will support the overall valuation process, while locally procured goods in transit will be costed by Field Offices based on the PO/receipt documents in their possession.

C.3. End of year field offices' inventory valuation – Overview

The figure below offers an overview of the year-end inventory valuation process.

Figure 5. Summary of closing procedures and valuation tasks by subject.



D. SECURITY AND CONTROL OF INVENTORY

D.1. Roles and Responsibilities

D.1.1. The Heads of all field offices holding inventory are responsible to ensure that procedures are in place to promote safe and secure storage of inventory and that goods are not removed from UNFPA custody without proper authorization. Heads of offices are also responsible to ensure that goods in control of UNFPA stored at third party premises are kept in safe and secure locations and are handled consistently with UNFPA's determinations. In practice, the inventory physical management responsibilities will generally be delegated to a staff member within the field office. In respect of the segregation of duty principle this staff will normally be different from the IFP. The Chief, PSB is responsible to ensure that the location of all inventory controlled by PSB at vendors' premises is known and that procedures are in place to promote safe and secure storage of inventory.

D.1.2. Any staff member who is in custody of inventory is responsible for the safe and secure storage of the inventory. He/she is also responsible for alerting the staff member responsible for inventory physical management of any potential problems with storage or care of the asset, as well as any movements in the asset's location.

D.1.3. UNFPA shall ensure the same level of security and protection for earmarked goods commodities as it does for UNFPA inventory up until the point of collection or physical hand over to the Implementing Partner/Beneficiary.

D.2. Secure Storage

D.2.1. Inventory items should be secured so that they cannot be easily removed or visible from the outside. Medical supplies and drug shipments can contain a large number of small, highly-valued and, often restricted items, many with a limited shelf-life. Thus, a secure area is required for storage of inventory goods.

D.2.2. Heads of Offices must ensure that inventory items are secured within reason. Increased security should be provided for items that are at high risk of theft or abuse, have potential for addiction or are generally attractive and in high demand.

D.2.3. Heads of Offices are also responsible for monitoring the expiration dates on inventory commodities. Items closer to their expiration date should be easily identifiable and take priority for delivery. It should be noted that these items are searchable in CHANNEL through ad hoc reports. See [Section F2 Reducing Risk of Spoilage](#) on procedures Heads of Offices are encouraged to adopt in reducing the risk of loss of UNFPA inventory through spoilage.

D.2.4. Goods in transit require particular attention, especially when they are temporarily stored at the port of entry. It is UNFPA's responsibility to ensure that implementing partners or third parties, to whom UNFPA will distribute these goods, are informed of their arrival on a timely basis and made accountable

to retrieve them as soon as possible. In case of delays in the physical hand over it is strongly recommended that field offices proceed with the earmarking process as described in para. A.5 and B.2.

D.3. Special Storage Conditions

D.3.1 Reproductive health commodities may need to be stored in a controlled environment. In these cases, it is important to note special storage requirements for specific products. Temperatures must be maintained at the appropriate level as stipulated for some inventory items as they may need to be protected from humidity, kept in properly ventilated storage areas, kept sealed until point of distribution, protected from the sunlight or protected from heat. In some instances, inventory should be kept in refrigerators where the products require very low temperatures to preserve the inventory.

D.4. Insurance of UNFPA Inventory

D.4.1. In accordance with the procurement procedures, UNFPA establishes an insurance on all goods it legally owns from losses or damages during shipping and transportation and in UNFPA controlled premises/warehouses.

D.4.2. “Stockholdings of contraceptive products may be held at the premises of the supplier or at alternative secure premises deemed suitable for the storage of contraceptives, medical and pharmaceutical products. Where payment has been made by UNFPA to the supplier, either in part or in full, to secure title to such products prior to shipment to the designated recipient, UNFPA shall ensure that appropriate insurance is maintained in order to safeguard the interest in the Fund.” ***Financial Regulations and Rules – Rule 114.21***

D.4.3. Currently UNFPA goods procured by PSB are covered by a transit insurance (whether air or sea) is based on the INCOTERMS which is activated from the point the goods are collected at the manufacturers premises to the final port/point of entry and additionally for a maximum of a further period of 60 days from this point to final destination. The UN is currently under negotiation to change the terms of this insurance and extend coverage up to the final point of destination. .

D.4.4. It is responsibility of the field offices procuring goods locally and internationally to ensure proper insurance for these goods during transportation and temporary deposit at the port of entry.

D.4.4. With regards to field offices authorized to hold inventories, it is responsibility of the Head of Office to properly communicate to the Chief, PSB the amount and kind of inventory held by the field office to ensure the appropriate level of insurance coverage.

E. INVENTORY STORAGE

E.1. Roles and responsibilities

E.1.1. All UNFPA Business Units holding static inventory shall designate a planned space for the storage and handling of inventory (or 'warehouse management'). The objective of warehouse management is to ensure inventory items are stored in a well-organized and easy to locate manner and access to inventory should be restricted to appropriate personnel.

E.1.2. PSB vendors store UNFPA inventory in their warehouses and manage inventory on behalf of UNFPA. In this regards, UNFPA has no physical responsibility to directly manage the warehouse. This PSB warehousing arrangement is referred to as 'outsourced warehouse arrangements'. It is the responsibility of the Chief, PSB, to ensure that UNFPA's controlled goods are properly stored and managed by vendors on behalf of UNFPA and that inventory management operations are timely and correctly satisfied. Vendors also shall be held responsible for timely issuance of goods upon PSB's request and timely update of OTS data.

E.1.3. In field offices, the Head of Office shall ensure UNFPA inventory is stored in secure warehouses and mitigating measures are implemented in order to safeguard inventory against loss, theft, waste and potential for misconduct. This task is delegated by the Head of office to the staff member responsible for physical management of inventory who's normally different from the IFP.

E.2. Types of Premises or Warehouses

E.2.1. UNFPA stores inventory in a variety of premises which may or may not be controlled as a whole by the organization. It is important to note that control of the warehouse does not determine control over goods. In a number of circumstances UNFPA control goods which are stored in warehouses controlled by other parties. Examples of premises utilized by UNFPA include commercial warehouse (e.g. vendors' warehouses utilized by PSB), government-owned warehouses (e.g. Ministry of Health warehouses), bonded warehouses (e.g. warehouses used for pre-positioned stock).

E.2.2. In some UNFPA field offices, premises/warehouses may be temporary in nature. Inventories may be housed in a building which was not designed to be used as a warehouse or in a temporary building or structure, in mobile units and sometimes are little more than a tent in a field. This may be justified by the need to make humanitarian goods available as quickly and efficiently as possible, but adequate measures must be taken to safeguard the inventory against loss, theft, waste and expiration due to inappropriate storage conditions and to establish adequate accountability on warehouse management.

E.2.3. In order to ensure high quality storage and maintenance of goods and based on the principle of efficiency, it is normally advised that UNFPA offices in need to keep static inventory engage the services of third party vendors with proper premises/warehouses rather than building their own facilities.

E.3. Operating conditions

E.3.1. Warehouse conditions should be acceptable and facilitate proper storage of inventory for the organization. The warehouse should be locked at all times and access should be restricted only to authorized personnel in order to protect inventory from theft and damage. Cages or refrigerators containing valuable or restricted inventory should also be locked at all times unless in use.

E.3.2. Items should be stored on shelves that are appropriately labeled and a coding system must be implemented and followed in the inventory storage areas. All staff involved in the management of inventory must be trained and knowledgeable of this coding.

E.3.3. Adequate lighting in the warehouse is required for ease of identification of inventory items. Business Units experiencing fluctuating voltage or frequent power outages may need to install a back-up generator or Uninterrupted Power Supply. Where no alternative power supply is available, a nearby alternate facility should be available to store special inventory during a power loss.

E.3.4. Adequate air ventilation should be provided for heating and cooling the warehouse. The warehouse ventilation must be appropriate for the storage of inventory that is sensitive to temperature.

E.3.5. Warehouse layout should be organized and aisles should be kept open for easy access to inventory monitoring purposes.

E.3.6. The IFP should be designated the responsibility to ensure inventory is stored in appropriate conditions and all documentation on inventory movement is kept up to date and accurate.

E.4. Security Reviews

E.4.1. UNFPA Field offices should conduct formal security reviews of their premises/warehouses spaces to identify potential threats as well as strengthen controls over the warehouses to ensure access is restricted only to authorized personnel as appropriate.

E.5. United Nations Humanitarian Response Depot

E.5.1. Pre-positioned RH commodities are normally held at the UN Humanitarian Response Depots (HRDs). WFP is offering to UN Agencies, international organizations and governmental/non-governmental organizations, use of these emergency response facilities and associated support services at a no-cost or cost-recovery basis. The primary advantage of the HRDs is more rapid deployment of physical and/or virtual stocks and cost-savings in pre-positioning or dispatching the most urgently needed humanitarian aid to the disaster locations. Please refer to the UNFPA Emergency Procurement

Procedure Policies and Procedures Manual on Human Response Procedures Guidance – see [Emergency Procurement Procedures](#).

F. INVENTORY LOSSES OR THEFT

F.1. Controlling Losses

F.1.1. The term loss refers to any unplanned or unexpected expense that is the result of accident, fire, theft, inventory damage or spills of materials requiring cleanup and recovery. The planning and the management action required to avoid or minimize losses is referred to as ‘loss control’.

F.1.2. The planning perspective of loss control is on the limitation of losses by anticipating their causes. By making loss control an integral part of the inventory management planning process, losses can be minimized.

F.1.3. Critical areas that must be addressed in developing an effective inventory management program in the Units include:

- reducing risk of spoilage
- theft and pilferage
- reduce risk of loss of inventory through fire

F.2. Reducing Risk of Spoilage

Head of the Offices are responsible for controlling operating and inventory costs in order to minimize losses to the organization. The following processes are to be strictly observed as procedures to protect inventory from the moment it is received until it distributed or handed over to any recipient.

F.2.1. Inspect and Review

A thorough receiving inspection combined with a review of transport temperature records is the best way to prevent poor quality product from becoming part of UNFPA inventory. The nature of the product and its packaging influence how receiving inspections are performed. Visual inspection for damage to packaging, swells, discoloration and other indications of product mishandling is the most common means of confirming product acceptability.

F.2.2. Maintain Quality

Once received, it is the responsibility of the Head of Office to ensure inventory is maintained in proper storage conditions. It is important for management to take an active role in the operation and maintenance of the storage system.

F.2.3. Pay Attention to Inventory Condition

It is the responsibility of the IFP to pay attention to the product condition and shelf life during the storage period. Inventory should be tracked by date of manufacture and product expiration date. Routine inspection of products while in storage, much like the initial receiving inspection, provides a way to identify and separate out damaged or inferior products.

No single step or process improvement by itself will prevent spoilage of inventory. Rather, success in spoilage prevention depends on the conscientious and consistent application of the measures above.

F.3. Disposal of Unusable Inventory

F.3.1. Disposal of spoiled or damaged inventory is to be arranged as soon as possible after discovery. Each Unit at UNFPA Headquarters and field office is required to complete the [Request for Inventory Write Off or Adjustment Form](#) which is responsibility of the Chief, PSB or the Head of the Office to sign and submit to the proper authority for approval, as explained in paragraph B.5.2. Upon submission of the RIWA form and approval by the proper authority, adjustment of the inventory value or write off needs to be performed in IMM or in CHANNEL. In any case, the IFP shall retain and file all copies of completed RIWA Forms as record after disposal of inventory.

F.4. Theft and Pilferage

F.4.1. Heads of the Offices are directly responsible for the physical safekeeping of inventory controlled by their units.

F.4.2. Where necessary, surprise inventory audits may be conducted and this will limit theft opportunity. In addition, all guests entering or leaving the premises where valuables are stored should be escorted by an authorized employee of the organization at all times.

F.4.3. The following processes shall be strictly observed in the case of asset loss or theft:

All staff members in custody of inventory that is lost or stolen are responsible for immediately alerting the head of their organizational unit and of fully cooperating with any investigation undertaken as a result.

In regional, sub-regional and field offices, the director or representative is responsible for submitting cases of asset loss. Some aspects of this authority may be delegated to an IFP. This task would generally be delegated to an administrative assistant, but any appropriate staff member may be chosen as the focal point.

F.4.5. Reporting Inventory Theft

1. **Obligation to report:** All UNFPA staff members and other employees/personnel of UNFPA are under an obligation to report promptly allegations of fraud of which they have become aware, as follows below. These reporting procedures are aligned with the reporting procedures regarding allegations of unsatisfactory conduct contained in the [UNFPA Policy on Accountability, Disciplinary Measures and Procedures](#)³.
2. **Reporting by personnel:** All personnel shall report allegations of fraud either to their managers/supervisors or directly to the Director, Division of Oversight Services, by whatever means appropriate under the circumstances. Personnel who feel that the manager, supervisor or Head of office may be implicated shall report directly to the Director, Division for Oversight Services.
3. **Reporting by managers/supervisors:** It is the responsibility of managers and supervisors to report to the Director, Division for Oversight Services, allegations of fraud reported or referred to them or of which they have become aware. Managers and supervisors should make such reports in writing. The Director, Division for Oversight Services, will coordinate subsequent action with the Director, Division for Human Resources, as appropriate and required. If the manager or supervisor has reason to believe that the Director, Division for Oversight Services, is involved, he/she shall report to the Deputy Executive Director (Management).
4. **Fraud hotline:** In addition, a confidential [Integrity Helpline](#) is available to report suspicions of fraudulent activity. Either click on the above link or go to www.unfpa.org (click on UNFPA Integrity Helpline). However, managers and supervisors should generally forward their written reports of suspicions of fraud directly to the Director, Division for Oversight Services, without using the Integrity Helpline.
5. Allegations of fraud may also arise in the course of audits, including project audits, inspections, evaluations, field visits and similar circumstances. They shall be recorded and reported through established channels.
6. On an annual basis, the Division for Management Services (DMS) will request summary details of fraud/presumptive fraud for the purpose of disclosure in the financial statements of UNFPA. Staff, managers and supervisors contacted by DMS must submit comprehensive and truthful information in response to such requests. However, this annual exercise does not relieve all personnel, managers or supervisors from promptly reporting allegations of fraud under the above provisions.

F.4.6. Disciplinary Action

F.4.6.1 In principle, if the staff member is found to be accountable, disciplinary action will be taken in accordance with the Staff Regulations and Rules. This authority is derived from *Financial Rule 114.10 Procedures for dealing with losses*. Disciplinary action shall be determined in line with activities performed by DOS (see F.4.5. above).

³ See UNFPA PPM, Human Resources, Personnel Policies and Procedures.

F.5. Reducing risk of loss of inventory through fire

F.5.1. Directors, representatives and chiefs are directly responsible for reducing the risk of loss of inventory through fire in their Business Unit. It is recommended that the Heads of Offices have a system in place that will reduce risk of fire in the storage area.

F.5.2. Fire codes may be used and sprinklers that will engage as soon as fire is detected may be installed.

F.5.3. Fire Extinguisher Training: Staff should be trained on the use and locations of fire extinguishers. This is especially true of employees working in areas where there are known ignition sources.

F.5.4. Large accumulations of trash and debris can be a potential fire hazard as well as a hindrance to evacuation. Adequate containers should be provided and specific duties assigned for removing the trash as containers fill. There should also be designated areas for storage of pallets, crates, etc. It's also a good idea to limit the stack height of loose pallets to six feet.

F.5.5. Incorporate safety training into the Business Unit's regular operational procedures and training. Safety procedures and training are often handled as a separate issue. It is more effective to incorporate safety procedures into specific task procedures and training. Issues related to clear spaces, sprinkler clearance, aisle clearances, evacuation plans; battery charging and propane cylinder handling (where applicable) should be part of the employee's regular training program.

F.5.6. Make sure additional precautions are taken during construction and maintenance projects. If you have contractors working in or around inventory storage area, make sure additional measures such as additional fire extinguishers are used, especially if work is being done on a roof or other area where fire extinguishers are not present. Also make special plans if the sprinkler system is to be shut down for any reason. Some operations may need to be shut down, supplemental fire protection provided, or physical 24 hour monitoring of the building during this period.

G. INVENTORY VERIFICATION AND CERTIFICATION

Physical verification of inventory is intended to verify the accuracy of inventory records and correctly reflect the carrying value of inventories in Financial Statements. Periodic verification of inventories is important to maintain control over UNFPA's operation and is an important component of stewardship towards donors. This policy sets out the minimum mandatory periodic inventory verifications to be performed by Units carrying inventory. The responsibility for accurate inventory records ultimately lies with the Heads of Office for inventory held at the field level and with the Chief of PSB for inventory held by this branch and its units.

The [Inventory Count Instructions](#) provide details on how to conduct the all inventory count in the Business Units.

G.1. Types of Inventory Verification

There are three types of inventory verification available to Business Units at Headquarters and field offices holding inventory.

G.1.1. 'As Required' Inventory Verification

These inventory verifications are conducted at the discretion of the Heads of Offices in the field, the Chief, CSB, or the Chief, PSB. The verification is not normally scheduled and is generally conducted in response to a given situation or loss. 'As Required' verification may be conducted when there is a change in IFP or other responsible inventory custodian e.g. change is manufacturers storing UNFPA inventory on behalf of PSB. This verification process may involve all or certain categories of inventories.

G.1.2. Semi-Annual Inventory Verification

Semi-Annual inventory counts should be implemented in all offices holding inventory. At the completion of the count, counted physical quantities shall be compared to the balances in Atlas Inventory Module (for PSB) and CHANNEL (for field offices). Where discrepancies are identified, adjustments to the inventory balances have to be performed.

G.1.3. Annual Inventory Verification

Annual Inventory counts are conducted at year-end to verify inventory quantities at that time. If an inventory count cannot be done on 31 December, the count needs to be performed at the closest possible following date within the next two weeks. Annual inventory counts include 100% of inventory items held by field offices and PSB. At the completion of the inventory count verified physical quantities must be compared to balances in the Atlas Inventory Module (for PSB) and CHANNEL (for field offices).

G.1.4 Verification at third party premises

Inventory stored in third party premises –i.e. prepositioned goods, goods stored at Ministry of Health's premises and under UNFPA control- is subject to periodic (semi-annual and annual) verifications. Where possible, verifications shall be conducted by UNFPA staff. Where this is not possible UNFPA shall obtain

assurance by the third parties managing these premises that verifications are carried out regularly and that resulting records are accurate and complete.

G.2. Counting/reconciliation worksheet

G.2.1 All field offices are strongly encouraged to use the 'Inventory Summary Report' and the 'Inventory Input form' in CHANNEL to support the physical count and reconciliation exercise. The Inventory Summary Report contains a summary of the items recorded in CHANNEL by item and quantity in stock. The Inventory Input Form presents the stock in CHANNEL by item and includes empty fields for quantities physically counted and expiration date. For PSB and for field offices only in situations where CHANNEL is not accessible, the Periodic Inventory Reconciliation Worksheet (Annex IV) is to be used to reconcile inventory quantities. Counts must be reviewed by the IFP as inventory count leader and certified/authorized by the Head of Office/unit.

G.3. Inventory Certification

G.3.1. The [Inventory Certification Letter](#) must be completed by the Head of Office and Chief, PSB. . This letter certifies whether the field office holds or does not hold inventory and earmarked goods as at year-end as defined in this policy. The scope of this certification only covers static inventory stored at UNFPA or third party premises. This certification shall be completed ONLY upon completion of physical count and reconciliation of physical inventory and CHANNEL data. This certification will be used as audit trail evidence and for accountability purposes of the Head of Offices and the Chief, PSB.

G.3.2. A separate certification will be required for the 'in transit' inventory. The procedure to track and report these goods is explained in paragraph B.3.2. Based on their review of the goods in transit as of 12/31 of each year Units will upload the inventory data in CHANNEL and the Head of office will certify these entries. G.3.3. Duly filled in and signed inventory certification letters shall be scanned and emailed by the IFP in the field office to CSB at Headquarters no later than 31st January of each year.

ANNEX I: EARMARKED GOODS CUSTODY FORM

Implementing Partner/Beneficiary becomes owner of goods itemized below (“Goods”) and control over Goods transfers to Implementing Partner/Beneficiary upon signing this form. UNFPA will hold Goods on behalf of Implementing Partner/Beneficiary. Implementing Partner/Beneficiary may claim Goods or direct their delivery at its discretion. UNFPA shall not be liable in any way to Implementing Partner/Beneficiary or any third party for any loss or damage arising from or in relation with UNFPA holding Goods on behalf of Implementing Partner/Beneficiary, including for any loss of or damage to Goods. Goods are provided “as is”. Implementing Partner/Beneficiary is responsible and liable for Goods, including all transportation and related costs necessary to retrieve and distribute them. UNFPA disclaims all warranties, express or implied, including, without limitation, warranties of fitness for a particular purpose or relating to condition, quality or serviceability of Goods. To the extent possible, UNFPA shall pass onto Implementing Partner/Beneficiary warranties offered by manufacturer or supplier of Goods and shall seek to include in its contracts with manufacturers, suppliers or sellers of Goods, as far as possible, provisions relating to product liability.

Description (list) of items:

ITEM ID (from Atlas)	DESCRIPTION	QUANTITY

Agreed for and on behalf of UNFPA:

Country

Title

Printed Name

Signature

Date

Agreed for and on behalf of Implementing Partner/Beneficiary:

Name of Implementing Partner/Beneficiary

Title

Printed Name

Signature

Date

ANNEX II: INVENTORY RECEIPT FORM

On delivery of commodities

Implementing Partner/Beneficiary (“Recipient”) acknowledges receipt of commodities itemized below (“Commodities”). Recipient becomes owner of Commodities upon signing this form. Commodities are provided “as is”. Recipient is responsible and liable for Commodities, including all transportation and related costs necessary to retrieve and distribute them. UNFPA disclaims all warranties, express or implied, including, without limitation, warranties of fitness for a particular purpose or relating to condition, quality or serviceability of Commodities. To the extent possible, UNFPA shall pass onto Recipient warranties offered by manufacturer or supplier of Commodities and shall seek to include in its contracts with manufacturers, suppliers or sellers of Commodities, as far as possible, provisions relating to product liability.

Description (list) of items:

ITEM ID (from Atlas)	DESCRIPTION	QUANTITY

Agreed for and on behalf of UNFPA:

Country

Title

Printed Name

Signature

Date

Agreed for and on behalf of the Recipient:

Name of Recipient Organization

Title

Printed Name

Signature

Date

ANNEX III: REQUEST FOR INVENTORY WRITE-OFF OR ADJUSTMENT FORM



REQUEST FOR INVENTORY WRITE-OFF OR ADJUSTMENT FORM (RIWA)

To be completed before adjustment is performed in Inventory Movement Module (PSB) or CHANNEL (field offices)

A. DETAILS OF INVENTORY ITEM			
Business Unit :		Lot/Batch	
Item /Product		Location (description)	
Vendor		Unit Cost (locally procured goods)	

B. REASON FOR DISPOSAL AND ADJUSTMENT AMOUNT			
ADJUSTMENT/LOSS DUE TO:	ADJUSTMENT AMOUNT		JUSTIFICATION/COMMENTS
	Quantity	USD Amount	
Damage:			
Theft:			
Other (specify)			

D. RECOMMENDATION, APPROVAL AND AUTHORIZATION

I hereby certify and recommend that the inventory above be written off / disposed of:

Inventory Focal Point _____

Date: _____

Head of Office _____

(b) Approval:

Date: _____

(d) Authorisation refused (reason for refusal):

E. Confirm Disposal action has been performed in Inventory Management Module (PSB) OR CHANNEL (field offices)

Inventory Focal Point Signature _____

Date: _____

ANNEX IV: PERIODIC INVENTORY COUNT/RECONCILIATION WORKSHEET

Date:	
Business Unit:	

Item #	Item Description	Fund Code	Unit of Measure/Description	Physical Count Balance (QTY)			Adjusted quantity count. A	Quantity in CHANNEL/Atlas B	Difference C = A – B	Explanation of variance
				Good items	Damaged	Expired				

Performed By : <i>Inventory team representative</i>		Date :
Reviewed By : <i>Inventory Focal Point</i>		Date :
Authorized By : <i>Head of Office/ Country Representative</i>		Date :

YEAR END PHYSICAL INVENTORY COUNT INSTRUCTIONS

ANNEX V: PHYSICAL INVENTORY COUNT INSTRUCTIONS

1. Introduction

This document provides guidelines for conducting period-end physical inventory counts and is applicable to all Business Units that hold inventories for regular operations. The procedures in this document shall guide the UNFPA staff through the year end physical inventory count process (the same procedures may be used for other Inventory counts as necessary).

2. Inventory definition

UNFPA defines inventory as stocks of reproductive health commodities and other health and programme related goods **in control** of UNFPA. Refer to Section A of this manual for further details, including on the notion of control.

3. Objectives of the inventory count

The purpose of the year-end physical inventory count is to correctly report the total quantities of all UNFPA inventory, either held at UNFPA controlled premises or at third party premises (e.g. suppliers, implementing partners etc.). Inventory held 'in transit' by UNFPA as of a closing date is not subject to count *per se* given the objective difficulties to physical review these goods (i.e. goods may be)

4. Responsibilities

The Head of Office is responsible for ensuring the physical inventory count is properly performed, inventory records reflect actual quantities on hand, inventory valuation methods are appropriate and adjustments are entered in the UNFPA Inventory module on a timely basis. The head of Office can delegate his/her authority to an Inventory Focal Point (IFP) who can be the Operations Managers or other staff member.

5. Physical inventory planning and preparation

5.1 Determination of date and time of the physical inventory count:

The Head of Office or his/her delegate will announce exact date(s) and time of the count. It is recommended that the year-end physical count be held the first working day after 31 December. If needs of service make impossible to operate the count on this date, the count needs to be performed at the closest possible date within the next two weeks. No new inventory management operations should be operated by field offices in the new year before the count takes place in order not to invalidate the physical verification. PSB will arrange visits to vendors' premises within the first two weeks of the new year.

5.2 Clearly define roles and responsibilities:

The inventory count team shall be established by the Head of the Office or his/her delegate with the objective to finish the count in reasonable time, with least disruption to the normal operations as possible.

The inventory count team shall normally consist of:

YEAR END PHYSICAL INVENTORY COUNT INSTRUCTIONS

- i. an independent count leader (staff member other than the IFP) – will plan and supervise the inventory count, make test counts and document adjustments during the count
- ii. count teams– will tabulate physical count and identify possible errors; they are expected to be knowledgeable of the inventory locations. In addition, these staff members will identify damaged, obsolete or expired goods that were not previously identified.

5.3 Establish clear cut-off guidelines:

The cut-off date will establish the date at which inventory balances are verified (e.g. December 31st). After cut-off date has been established:

- Ensure all additions/put-away for items received by the cut-off date have been properly processed.
- Ensure all issuances for goods handed over to IPs/beneficiaries have been properly processed.
- Ensure all earmarked goods under UNFPA’s custodianship have corresponding signed earmarking forms.
- Suspend all inventory management operations after the established cut-off date to make the process more efficient, except in the case of emergency response requests.
- No physical movement of inventory should be permitted during the physical count except in the case of emergency response requests.

5.4 Notify affected parties of suspension of operations during the count

Provide adequate lead time to plan appropriately. For example;

- i. Suppliers – notify suppliers if deliveries will not be accepted during the inventory count period.
- ii. Recipients - advise beneficiaries/implementing partners in advance of the shut-down period.
- iii. Staff- inform inventory count team members to allow sufficient time to plan for the activity.

5.5 Prepare the warehouse or premise for the count

- i. Execute the necessary logistic arrangements: suspend or reduce inventory movement during inventory count; prepare the plan/layout of the warehouse and all other locations where inventory may be stored; ensure controlled access to the warehouse area during the stock take;
- ii. Clean up the store area for ease of counting
 - make sure like items are grouped together for ease of counting, e.g. in batches;
 - ensure proper recognition of physical location of goods in warehouse (e.g. labeling of shelves, locations and goods);
 - ensure there are no hazards in the warehouse that could be dangerous during the inventory count e.g. boxes to trip over, wet floors, items that could fall etc.
- iii. Identify damaged, expired and obsolete items; place them separately from other inventory and ensure they are clearly marked “obsolete” or “damaged”.
- iv. Make sure all items are clearly marked with item description, item number or other identification for ease of reference.

YEAR END PHYSICAL INVENTORY COUNT INSTRUCTIONS

5.6 Counting/Reconciliation worksheets

The count leader shall print the proper inventory count sheets before the inventory count. Field offices are strongly encouraged to use the CHANNEL 'Inventory Input form' which shows the stocked items as recorded in the system and allows to manually input the counted physical quantities (and their status good/damaged/expired) by lot/batch and Fund Code. The 'Inventory Summary Report' will be used as reference for the reconciliation between the physical count and the CHANNEL records.

For PSB and for field offices only in situations where CHANNEL is not accessible, the Periodic Inventory Reconciliation Worksheet (Annex IV) can be used as tool for counting and reconciliation. In case of use of this tool, inventory accounting sheets shall be pre-numbered and their distribution and consolidation should be strictly monitored by the count leader/IFP.

5.7 Exclusion of earmarked goods

Any inventory items which have been properly earmarked and which at the date of the count is still in physical custody of UNFPA is not UNFPA inventory thus it shall not be counted as such. It is responsibility of the Head of Office and the IFP as his/her delegate to ensure that proper earmarking forms have been signed and properly filed for all goods in custody of UNFPA but not in control of UNFPA as of the counting date.

Earmarked goods should be separately identifiable from UNFPA inventory. This may be accomplished for example through physical separation (goods in one container or in one corner of the warehouse) or clearly labeling goods – **"DO NOT COUNT"**.

In locations storing material amounts or volumes of earmarked goods the inventory counting team may want to fill in a separate counting sheet for these goods for the sole purpose of taking stock of goods in physical custodianship of UNFPA. This sheet will be used to verify that all earmarking forms are in possession of the Unit and duly filled.

5.8 Inventories held in Third Parties' premises

UNFPA goods held by third parties (e.g. supplier premises or Implementing Partner premises) shall be counted the same way as the goods in the UNFPA premises. However, if it is not practicable to perform the count by UNFPA at the supplier premise, inventory certifications detailing inventory items, quantities, expirations, and any other relevant data shall be issued by the third party as at the date of count (i.e. 31 December) and retained with other count sheets for audit trail and verification purposes. Where UNFPA performs the physical inventory count at the third party premises, the inventory counted shall be recorded on the pre-numbered inventory count sheets (see 6.1).

6. Execution of the physical inventory count

Execution of the physical count depends on several factors, such as layout of the warehouse/premises, number of staff available in the counting team, volume and variety of stocks to be counted, geographical location and accessibility of the premises/warehouses. The following is an indicative process to be followed by the IFP/count leader.

YEAR END PHYSICAL INVENTORY COUNT INSTRUCTIONS

Staff conducting the physical count will:

- a. Be assigned areas to count.
- b. Be issued one or more inventory count sheets.
- c. Count within the areas assigned (care should be taken to correctly identify stock, carefully count and record stock ensuring that the quantities recorded is in the correct unit of measure e.g. pk, ea, gd etc.).
- d. Staff conducting the count should print their full name, include employee number, sign the count sheet and date of the inventory count.
- e. When counted, actual quantities of stocks are filled into the count sheets to the appropriate line and items are flagged as counted (e.g. attach sticker, sign-off, cross with marker etc) to avoid double counting. *Use free lines at the bottom of the count sheets to record extra items physically counted that were not listed on the sheets.*
- f. Ensure all items within their assigned area are included in the count
- g. Investigate discrepancies and recount stock as requested
- h. If count teams identify stock that is damaged or obsolete during the count; bring this to the attention of the count leader (for stock that has originally been included in the count)

Counted locations (warehouse, rooms, shelves, bins) shall be marked to reduce risk of double counting and ensure inventory completeness.

6.1 Damaged, obsolete or expired goods

Damaged, expired and obsolete items shall be identified and documented in the inventory counting sheet.

6.2 Urgent movement of goods during the counting

In extraordinary circumstances where movements of inventories must be allowed during the count, the counting team should maintain a log on all movements of inventory including Date of issue, Issue document number (waybill, invoice or any other shipping document); Name and Description of each item; Quantity counted of each item; Unit of measure; IP/Beneficiary description and code (if available).

6.3 Adequate Supervision

During the physical inventory count the team leads / those supervising the count should observe that all stock has been marked as counted and follow up with the count team if stock is not marked.

6.4 Count items twice

Inventory items shall be physically counted twice to provide as accurate a count as possible. To ensure proper control, a good idea is to switch areas allocated to the counting team members between the first and the second round of counting. If discrepancies arise between the physical count rounds, a further count may be necessary to ensure accurate stock number.

YEAR END PHYSICAL INVENTORY COUNT INSTRUCTIONS

6.5 Collection of Inventory Count Sheets

Inventory count sheets shall be returned to the count leader for review and consolidation. All required fields must be completed (name, signature and date).

6.6 Variances

Variances between the physical count and inventory record (i.e. IMM or CHANNEL) should be duly reported and justified via a variance report. The periodic inventory count/reconciliation sheet (Annex VIII) can be used by PSB for this purpose. Field offices will normally use the CHANNEL input form report. Further confirmation that all receipts and issuances are duly recorded should be obtained. Upon quantification of the amount of adjustment to be made, the proper adjustment operation is performed in the inventory recording system (IMM or CHANNEL). Reasons for adjustments should be also reported to CSB. Reasons or supporting documents for these variances should be properly investigated.

7. After the Inventory Count


7.1 Final inspection

A final inspection should be made before the release of the warehouse area to ensure all stock has been included in the count.

7.2 Release Area

The Inventory count leader should release the warehouse area after all stock has been counted, test counts have been completed and variances properly investigated.

ANNEX VI: INVENTORY CERTIFICATION LETTER

	<h1 style="margin: 0;">CERTIFICATION LETTER</h1> <h1 style="margin: 0;">INVENTORY IN STOCK</h1>	Office: _____
<p><input type="checkbox"/> I, the [title of head of office] hereby confirm that as of 31. Dec 20_____, our Office holds* inventory goods controlled by UNFPA which may be stored in either a UNFPA premise or third party premises. Inventories held as of this date have been duly reported through the CHANNEL inventory management system. A detailed list of inventory items held at this date is enclosed herewith.</p> <p>Or</p> <p><input type="checkbox"/> I, the [title of head of office] hereby confirm that as of 31. Dec 20_____, our Office does not hold* inventory goods controlled by UNFPA which may be stored in either a UNFPA premise or third party premises.</p> <p>Moreover, our Office <input type="checkbox"/> DOES HAVE OR <input type="checkbox"/> DOES NOT HAVE</p> <p>Stocks of ‘earmarked’ goods under physical custody of UNFPA but under the control of a third party.</p> <p>By signing this letter I, [title of head of office], hereby confirm as of 31 December 20__ that the inventory information for the office location under my responsibility, is to the best of my knowledge, complete and accurate. I hereby also certify that the all earmarking forms have been properly signed and filed.</p>		
<p>Head of Office:</p> <p>_____</p> <p>(print name)</p> <p><i>* Please note: this certification does not cover inventory ‘in transit’ as at the certification date.</i></p>		

ANNEX VII: AUTHORIZATION REQUEST TO HOLD INVENTORY

	AUTHORIZATION REQUEST TO HOLD INVENTORY
<p style="text-align: right;">DATE:</p> <p>Business Unit:</p> <p>Inventory Focal Point / Unit Representative:</p>	
<p>Justification to hold inventory: <i>(e.g. support of country programme operations, implementing partners' support)</i></p>	
<p>Location where stocks will be held (please select):</p> <ul style="list-style-type: none"><input type="checkbox"/> UNFPA premises<input type="checkbox"/> Commercial premises/warehouses<input type="checkbox"/> Implementing partners' premises<input type="checkbox"/> Other (please specify): <p>Briefly describe general conditions of the location where stocks will be held:</p>	
<p style="text-align: right;">DATE:</p> <p>Authorized by:</p> <p>_____</p> <p>(print name)</p>	

ANNEX VIII:

ANNEX IX: GLOSSARY OF TERMS

Key terms and acronyms are defined below. Where necessary, references to the most relevant sections in which procedures and detailed explanations may be found are given after the definition. Where it may be useful to refer to the definitions and references provided for other terms in this glossary, the relevant terms are also noted.

Inventory	Inventory for UNFPA is defined as stocks of reproductive health commodities and other health and programme related goods in control of UNFPA.
Goods In Transit	Inventory is defined as ‘in transit’ at any point when it is not being held in identifiable premises/warehouses, for example when they are being transported from one location to the next or when they are stationed at the port of entry.
GCCP Programme	Global Contraceptive Commodity Programme
ERH	Emergency Reproductive Health
RH	Reproductive Health
NGO	Non Governmental Organization
Implementing Partner	Third party subjects -Intergovernmental Organizations, Governments or Non Governmental Organizations- that manage and implement UNFPA funded projects
Earmarked Commodities	Goods legally owned and under custodianship of UNFPA held on behalf of implementing partner or beneficiary, i.e. on which UNFPA does not exercise control.
Business Unit	For the purpose of this manual Business Units are regional offices, sub-regional offices, field offices and liaison offices.
DMS	Division of Management Services.
PSB	Procurement Services Branch
CSB	Commodity Security Branch
UNFPA	United Nations Population Fund
IFP	Inventory Focal Point. Designated UNFPA staff member that shall be responsible for the handling of inventory in the Business Unit as delegated by the Head of Office

Head of Office	Head of the Business Unit reporting Inventory. Usually the Regional or Country Representative.
Access RH	UNFPA managed reproductive health procurement and information service that aims to improve access to quality, affordable sexual reproductive health goods.
Inventory Management Module (Atlas)	Atlas module currently utilized to manage PSB held inventory only.
Inventory Certification Letter	Letter in which the Head of Office confirms that information in the Inventory Records is complete and accurate. Will be utilized as audit trail
Chart of Accounts	List of accounts used by UNFPA to define each class of items for which money or equivalent is spent or received.
RIWA Form	Request for Inventory Write-off or Adjustment Form.

