Preparing budget journals in COIN

One important tool required to manage the allocation for the FAOR Network is the "Regional Distribution Journal" module that allows to process in Oracle budgetary actions approved in COIN. This module is used:

1. <u>At the beginning of each year</u>, for the preparation of the FAOR offices yearly base allotments.

    The preparation of the FAOR offices yearly base allotments is carried out in COIN using the "Regional Allotment Distribution" module to distribute to FAORs part of the funds provided by OSP at regional level. This task includes the evaluation of GCCC targets and the calculation of the yearly staff costs for encumbered positions and of the estimated non-staff cost requirements of each country office.

    Once this task is finalized, the next step is to use the "Regional Distribution Journal" module to prepare the related budget journal (in Excel format) to be sent to OSP for processing. The figures exported from COIN are automatically put in the "debit" column of the journal, while the "credit" column is left empty. The amounts required to populate the "credit" column are taken from the funds provided by OSP at regional level. The activity codes to be used are provided by OSP and updated in COIN, if necessary. It is then up to the person responsible for the preparation of the allotments to select the correct activity code in COIN as per OSP instructions (see page 4 for the list of 2010 valid activity codes as communicated by OSP).

    For example, this year, OSP provided the funds for the FAOR Network at regional level (FAPDD, FRADD, FLADD, FEUDD and FNEDD), under three accounts:

    *   5028 - General Operating Expenses,
    *   5023 - Training and
    *   5026 - Hospitality.

    Part of the funds provided by OSP, has been distributed to FAORs at country level, as base working allotment for 2010. The "credit" column of the related journal was populated using the funds made available under account 5028 "General Operating Expenses" moving funds from the regional level to the country level. The remaining amounts under each account were left at regional level for distribution at a later stage, based on additional requirements submitted by the country offices.

2. <u>During the year, to allocate additional funds to FAORs</u>.

    During the year, Regional Offices approve additional funds to FAORs for non-staff costs through COIN. As for the base allotments, these figures must be processed also in Oracle using a budget journal. The process is the same as the one described in paragraph 1 above. The "credit" column should be populated using:

    a) Any **available balance left at regional level on non-staff costs accounts** after the preparation of the base working allotments. This balance may be seen in Oracle by preparing a financial statement with the following parameters:

- Organization level: GROUP
- Organization code: Regional ORG Code, i.e. FRADD, FAPDD,FLADD,FNEDD and FEUDD
- RP activity level: Biennial Output
- RP activity: RAR%
- Expense account level: PARENT
- Revenue account level: PARENT
- From: 2010-01
- To: 2010-13
- Activity range: ALL LESS ARREARS

b) **Staff costs savings,** worked out as follows:

1. <u>Savings generated on posts and incumbents:</u>

- Any period of vacancy on Professional and GS posts budgeted in PIRES
- Professional and GS posts budgeted in PIRES where the grade of the incumbent is lower than the post grade, and
- New posts budgeted in PIRES (N posts) not yet established in HRMS.
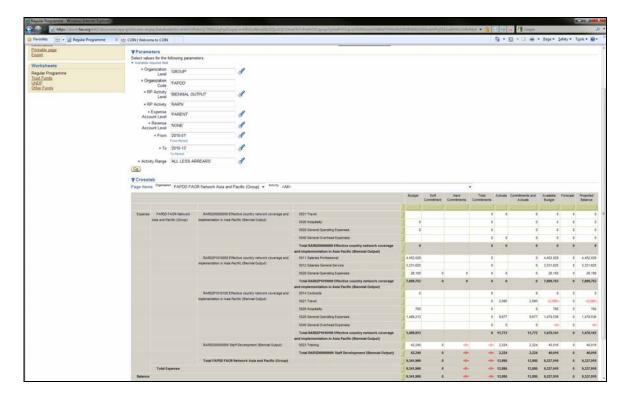
2. <u>Deficits generated on posts and incumbents</u>

- The cost of posts established in HRMS and currently filled but not budgeted in PIRES must be deducted from the above available balance since they generate a deficit
- Professional and GS posts where the grade of the incumbent is higher than the post grade.

These figures are available in the COIN report "FAOR estimated staff costs" which is now available.

<u>Note</u>:

Following discussions with OSP, OSD calculated the budgetary requirements to cover the FAORs staff costs based on the established posts encumbered at the moment of the preparation of the base budgets for each Region, for 12 months. The corresponding amount was transferred out of budget account 5028 (GOE) and posted against Staff costs Professional (account 5011) and Staff costs GS (account 5012), as appropriate at regional level (i.e. under FAPDD, FRADD, FLADD, FEUDD and FNEDD).

Professional and GS salaries appear at global level but these figures are not to be considered as available amounts. In the example below, the amount still available at global level for distribution amounts to US$ 1,515,313 on account 5028 "GOE", US$ 700 on account 5026 "Hospitality" and US$ 42,240 on account 5023 "Training". The related activity codes are also displayed on the financial statement.

3. <u>During the year, to reduce the current allocations</u> (not very frequent but may happen)

The reduction of approved allocations must be done in COIN using "FAOR Office Budget" module and the "Add allotment" function. In such cases, the figure inserted should be negative so as to bring the allotment approved to zero.

When generating the journal, the extracted figure is displayed in the "debit" column with a minus sign. The minus sign should be removed and the figure moved to the "credit" column. The "debit" column should be populated with the same lines as the one extracted from COIN modifying the ORG code to the regional level ORG Code (FAPDD, FRADD, FLADD, FEUDD and FNEDD). This way, amounts removed from the single FAOR budget are put back into the global pot available to Regional Offices for distribution to FAORs.

2010 valid activity codes (as at 01 October 2010)

Following the introduction of Unit Result (UR) and Product/Service (PS) levels for FAORs, the allotment for the FAO Representations has been split as follows:

Oracle Code	Budget Accounts	TYPE	DESCRIPTION
2010 valid activity codes (as at 01 October 2010)			
AFRICA			
RAR01A1010000	Staff, Non-Staff HR (5013 and 5020) and Income	UR	Effective country network coverage and implementation in Africa
RAR01A1010100	Other non-staff	PS	Effective country network coverage and implementation in Africa
ASIA AND THE PACIFIC			
RAR02P1010000	Staff, Non-Staff HR (5013 and 5020) and Income	UR	Effective country network coverage and implementation in Asia Pacific
RAR02P1010100	Other non-staff	PS	Effective country network coverage and implementation in Asia Pacific
LATIN AMERICA			
RAR04L1010000	Staff, Non-Staff HR (5013 and 5020) and Income	UR	Effective country network coverage and implementation in Latin America
RAR04L1010100	Other non-staff	PS	Effective country network coverage and implementation in Latin America
NEAR EAST			
RAR05N1010000	Staff, Non-Staff HR (5013 and 5020) and Income	UR	Effective country network coverage and implementation in Near East
RAR05N1010100	Other non-staff	PS	Effective country network coverage and implementation in Near East
EUROPE			
RAR07E1010000	Staff, Non-Staff HR (5013 and 5020) and Income	UR	Effective country network coverage and implementation in Europe
RAR07E1010100	Other non-staff	PS	Effective country network coverage and implementation in Europe