

**12th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 21-23 March 2018

Provisional Agenda Item 4.2

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PROGRAMMING OF THE BUDGET SURPLUS

Background

1. Financial Regulation 4.6 stipulates that any balance of the funded Assessed Contributions and Budgeted Miscellaneous Revenue not committed by the end of the current budgetary period, or not authorized to be carried over into the subsequent budgetary period, shall be used to replenish the Working Capital Fund to its authorized level. Thereafter, any balance will be transferred to surplus and made available for subsequent use in accordance with the resolutions adopted by the Conference or Directing Council.

2. The Director estimates a budget surplus of US\$ 1.0 million¹ for the 2016-2017 biennium. However, the final figure will not be available until the External Auditor completes and signs the audit of the Organization's financial statements for 2017, which must occur on or before 15 April 2018.²

Proposal

3. Upon the completion of the audit of the 2017 financial statements, any budget surplus will first go to replenish the Working Capital Fund to its authorized level of \$25.0 million. In the event that there is a balance of the budget surplus after the Working Capital Fund is replenished, the Director will prepare a proposal for the disposition of any remaining balance of the budget surplus for presentation to the Executive Committee in June 2018.

Action by the Subcommittee on Program, Budget, and Administration

4. The Subcommittee is invited to take note of this report and make any recommendations it deems pertinent.

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¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

² According to PAHO Financial Regulation 14.9.
