

**14th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 25-27 March 2020

Provisional Agenda Item 4.4

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11 March 2020
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PROGRAMMING OF THE REVENUE SURPLUS

Background

1. Financial Regulation 4.8 stipulates that any excess of revenue over the Budgeted Miscellaneous Revenue at the end of a budgetary period shall be considered a revenue surplus and shall be available for use in subsequent periods to cover any unfunded portion(s) of the Strategic Plan, as determined by the Director and with the concurrence of the Subcommittee on Program, Budget, and Administration.
2. The estimated amount available for programming in 2020-2021 from the revenue surplus of 2018-2019 biennium is US\$ 4,650,520 million.¹ However, the precise final figure will not be available until the External Auditors complete and sign the audit of the Organization's financial statements for 2019, which will occur on or before 15 April 2020.²
3. As has been the case with past revenue surpluses, the revenue surplus offers a unique opportunity for the Organization to invest in longer-term, higher-cost strategic and administrative initiatives that are otherwise difficult to fund within the constraints of typical biennial budgetary exercises.

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

² In accordance with Financial Regulation 14.9.

Proposal

4. The Director is proposing the allocation of the 2018-2019 Revenue Surplus balance to the Master Capital Investment Fund (MCIF). The MCIF is primarily funded through the appropriation of revenue surpluses. The available balance in the Fund as of 31 December 2019 was \$13.8 million. The Director determined the allocation of the 2018-2019 Revenue Surplus balance as presented below:

Master Capital Investment Fund	Purpose	Amount (US\$)
Real State Maintenance and Improvement Subfund	To finance infrastructure needs for the Organization	\$3,650,520
Vehicle Replacement Subfund	To finance needs for vehicle replacement	\$1,000,000
Total proposed for allocation to the MCIF		\$4,650,520
Remaining Unallocated Amount		\$0

Action by the Subcommittee on Program, Budget, and Administration

5. The Subcommittee is requested to consider the proposal presented in this document and to provide its concurrence with the proposed allocation of the revenue surplus.

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