**Use of the Universal Price List (UPL) or Local Price List (LPL)**

1. This option may be used where the DPC option of apportioning operations unit staff time to projects through multiple funding line is not practical, such as when each operations staff member may be working on an entire project portfolio (i.e. providing finance support for all projects instead of just a few) unlike programme staff that typically are divided up into thematic programme units and therefore handle a limited number of projects. (Note: DPC refers to “Direct Project Cost”. It is also called Delivery Enabling Service)

1. In these cases, CO’s may choose to continue to use the UPL or LPL option for charging transactional type charges directly to programmes and projects. However, to avoid double-counting of such costs, these charges shall be debited to projects and recorded as the converse side of the transaction as a negative expense (credit) against the appropriate expense account (e.g. XB) rather than as XB income. Using the UPL methodology to charge DPC is still an ‘ex-post-facto’ charge and does not help with the ‘planning and ex-ante budgeting’ side of DPC, which would have to be performed separately.
2. Effective 1 January 2014, transactional DPC charges shall be recorded using the UPL as a reduction or credit to the appropriate expense account (e.g. XB, or a credit to the stand-alone project). In other words, costs of staff and GOE charged to XB are less than what they would have been without the DPC. See Table A below.

[Table A - DPC charges](https://popp.undp.org/document/resource-planning-and-cost-recovery-universal-price-list-upl-and-local-price-list-lpl-xb)

1. The Zero-dollar Invoice in Quantum Payables module may be used by country offices to debit and credit expense accounts for the attribution of transactional service fees to development projects, and some Units may have their own automated billing systems which meet these requirements.

1. The workload for transaction based direct project costs needs to be identified at the beginning of the project or at the beginning of each year and charged back to the project based on the actual provision of services.

**Planning and estimation of direct project costs for UPL/LPL based services**

1. At the beginning of each year, all project managers shall provide an estimate of project support services. UPL/LPL based services can be estimated based on either prior years’ statistics or expected support services required for project delivery. The volume of support services needed for each project can be estimated using major UPL/LPL categories as shown below.

[Planning and estimation of DPC for UPL, LPL based service](https://popp.undp.org/node/511)

1. The country office and project managers should agree on the estimated services expected for the year. These plans and estimates can be refined on a periodic basis, quarterly if need be, based on events including changes to the procurement and recruitment plans.
2. The project managers shall ensure that the estimated direct project costs are budgeted in the corresponding project budgets. The total estimated direct project costs shall be budgeted separately against two separate account codes 64300 (staff) and 74500 (GOE) to reflect the cost of services provided by the UNDP country office which is composed of staff cost and general operating expenses. Where this relates to the regular provision of services, this could be facilitated through the use of multiple funding lines for the staff positions.
3. The country office operations unit may enter a speed chart in Quantum for monthly/quarterly billing of DPC with complete COAs of development output projects. Each COA of a development project should be entered twice in the speed chart: the first line for staff costs (expense account 64397) and the second line for GOE (expense account 74596). For example, if the country office provides services to ten development projects, a speed chart shall reflect 20 COA lines of the project outputs for debit entries and two COA lines for the credit entries to the country office management output project funded by extra budgetary funds. Speed charts need to be done at the beginning of the year. When new development output projects are approved, the speed charts can be updated accordingly if new project would require direct support services from the country office.

Estimation of staff cost and GOE providing UPL/LPL based services:

1. The country office must ensure that the office has sufficient capacities and resources (staff and office infrastructure) to provide timely and quality services to projects.

1. As noted above, when offices find it impractical to charge the operations unit staff time through a position multiple-funding line, UPL/LPL could be used but the portion of staff time spent in delivering UPL/LPL services to projects would need to be budgeted against the appropriate expense account (e.g. XB funds) or a DPC stand-alone project. It will allow to accumulate the directly attributable costs of UNDP staff in XB funds (or a DPC stand-alone project, fund 11309) then apportion them to the development projects on monthly or quarterly basis (and in time for the issuance of the CDR). For instance, if a staff whose position is fully funded from core funds (02300), spends 20% of his/her time in providing UPL/LPL based services to development projects, his/her Quantum position will be coded as “DPC” position in Quantum with two funding COA lines: a) fund 02300-80% and b)11300 (or DPC stand-alone project) -20%.

1. The results of an annual workload study could be used as a guidance to fund the operations positions from various funding sources. A workload study template can be used as often as needed to validate the distribution of staff time between activities. The operations staff’s time spent for UPL/LPL based services for development projects (Activity 1 - Programme) could be used as an indicative share of XB funding (e.g. 11300) for Quantum positions. As an example, a workload study results of four operations staff is provided in the below table. This office plans to recover the direct project costs through UPL/LPL, the portion of staff cost spent in providing these services to programme projects would need to be charged to the extra budgetary fund (11300) or a stand-alone project (fund 11309). (see [Function’s (activities) performed](https://popp.undp.org/node/446))

**Attribution of Direct Project Costs for UPL/LPL based services:**

1. At the end of each month or quarter, country offices should calculate the cost of services per UPL/LPL based on the actual service log. The new query report in Quantum will be available (similar to Atlas query “AP Activity CRU Bills”), which provides the list of AP invoices processed by the country offices during the reporting period with full COA of the projects. Based on this query, the country office can calculate the total number of invoices processed for the projects and the corresponding service fees. Similarly, the new query report in Quantum similar to query “PO Activity – CRU” could be used to bill for purchase orders processed for projects.

1. When the country office finalizes the fee for UPL/LPL based services, the project managers should be informed about the volume of support services provided and amounts to be charged.

1. The country office shall process a zero-dollar Invoice in Quantum Payables module for UPL/LPL service fees using a speed chart as recommended in the paragraphs 4 and 9. The country offices can add, delete or change the COA lines once a speed chart is populated on a zero-dollar Invoice line. If no service is provided for a specific project for a billing period, COA lines of that project can be deleted/ removed from zero-dollar Invoice lines. The expense accounts (64397 –Services to projects -CO staff costs and 74596 – Services to projects GOE) should be used both for debit and credit entries of a zero-dollar Invoice. Further instructions on how to use these accounts can be found [here.](https://intranet.undp.org/unit/ofrm/fbp/analytics/_layouts/15/WopiFrame.aspx?sourcedoc=/unit/ofrm/fbp/analytics/Direct%20Project%20Costs%20DPC%20Exception%20Report/Account%20codes%20for%20Direct%20Project%20Costs_2017.docx&action=default)
2. All manual or system generated entries including the zero-dollar Invoices related to UPL/LPL based charges together with the country office calculation of the total number of services provided for the projects and the corresponding service fees, should be kept on file for future audit reviews.