**CRS Global Emergency Pre-positioning Guidance**

**(Version Date: Nov. 09, 2021)**

**Purpose:**

The purpose of this guidance is to clarify the process for 1) accessing and replenishing CRS’ prepositioned inventory held in UNHRD warehouses, 2) loaning and borrowing stock held in UNHRD warehouses and 3) procuring relief items through UNHRD. General billing / payment mechanism and process is also presented.

**Background:**

The United Nations Humanitarian Response Depot (UNHRD) manages prepositioned emergency stock for various UN agencies, government donors, and NGOs. UNHRD currently have six warehouse hubs located in Dubai (UAE), Accra (Ghana), Brindisi (Italy), Las Palmas (Spain), Subang (Malaysia) and Panama City (Panama). In addition to storage management, the UNHRD proposes services such as procurement, access to white (unbranded) stock from other agencies (loan from other agencies), and shipping coordination.

Through CRS’ Humanitarian Response Department (HRD) CRS has emergency stock warehoused with UNHRD in Dubai Panama and Accra. CRS and other NGO / OI / Gov stock information is available on [UNHRD](https://partners.unhrd.org/user/login?destination=/page/index) site. Access is restricted, send an email to [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org) to request information.

Emergency relief items are also prepositioned by a few country programs, namely: Philippines; Madagascar and Haiti and are managed by Country program (CP).

**Acronyms:**

UNHRD United Nations Humanitarian Response Depot

PI Pro format Invoice (equivalent to a Purchase Order – when signed by CRS’ authorized authority)

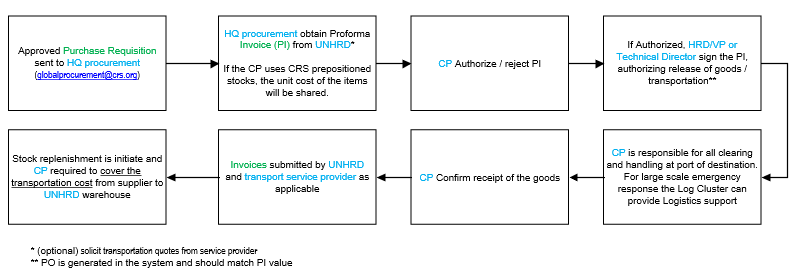
MCR Management Cost Recovery

HRD Humanitarian Response Department

IO Inventory Organization

IS-CP Interim State Country Programs

**Process Map – Sourcing prepositioned stock from UNHRD**



1. **Access and replenishment of CRS’ prepositioned stock held at UNHRD.**

|  |  |  |
| --- | --- | --- |
|  | **Requests for information** | All requests for information, including, availability, cost, loans, purchases, delivery costs and timeframe should be addressed to HQ procurement ([globalprocurement@crs.org](mailto:globalprocurement@crs.org)) and CC [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org). |
|  | **Requisition process[[1]](#footnote-1)** | Submit the Request for Purchase (RfP) to HQ procurement according to CRS’ established procurement initiation process for Insight Release -CP (IR-CP) and IS-CP. RfP information shall contain the following:   * 1. POET   2. Detailed description of the goods/services requested including weight/volume. package dimension if known.   3. Quantity of the goods / services required.   4. Destination – address and name of consignee.   5. Delivery terms[[2]](#footnote-2).   6. Date goods and services are required,   7. Preferred mode of transportation (air / ocean-sea) |
|  | **Procurement Process** | 1. HQ procurement will communicate the request to [UNHRD.CUSTOMERSERVICE](mailto:unhrd.customerservice@wfp.org). 2. UNHRD will issue a PI to HQ procurement. 3. HQ procurement will share the PI with Country Program   CR will approve or reject the offer (PI) and revert back to HQ procurement.  While UNHRD can provide quote for transportation (ocean / air freight / overland); HQ Procurement, in coordination with and on the behalf of the CP, may choose to also seek transport quote from private transporters in order to meet cost effectiveness, best delivery timeline and donor requirement. |
|  | **CRS commitment process:** | Upon receiving the approval from the CP, HQ procurement will obtain [HRD Technical Director](mailto:donal.reilly@crs.org) or [HRD Vice President](mailto:Jennifer.Poidatz@crs.org) signature on the PI and will send it to UNHRD authorizing the services outlined in the PI. The signed PI serves as a PO for UNHRD.  HQ procurement will generate a system PO as appropriate, attaching the signed UNHRD PI.  UNHRD invoicing can take time. Ensure PO commitment is properly recorded into General Ledger. |
|  | **Shipping** | In addition to the above information (step B) the following information is required to ensure the timely delivery of goods from the UNHRD;   1. Cargo delivery address 2. Shipping documents delivery address. (Shipping Agent or CRS Main CP Office) 3. Point of contact at destination to be included on the packing list, BLs, AWB . 4. Any import authorization or agreement established with the recipient country authorities for tax exemption or any other import fees. 5. Any certifications required for customs clearance procedures in the recipient country or for transport purposes (e.g. Certificate of Origin/IATA Certificate for Dangerous Goods, Certificate of Conformity, Wood fumigation certificate / Donation letter, commercial invoice....). 6. Any other particular requirements (e.g., pre-shipment inspection, cargo insurance, temp controlled/cold chain requirements, special handling instructions, etc.) |
|  | **Clearing** | The CP is responsible for clearing and handling at destination. According to the delivery terms, the Consignee will need to contract the services of a clearing and or C&F agent to handle the port (sea / air) clearance process and transportation as appropriate.  An exception to this is a large-scale humanitarian response when the UN or Logistic Cluster provides common services logistical support in the affected country. |
|  | **Receiving**  **(Booking assets & Stock Valuation)** | [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org) will communicate the unit cost of the items dispatched.  **For IR-CP**: There are 2 Insight transactions to transfer inventory between Inventory Organizations (IO): 1) Direct [Inter Organization Transfer](https://crsorg.sharepoint.com/:b:/r/sites/Insight-Community/Insight%20Training/InterorganizationTransfer.pdf?csf=1&web=1&e=j2DDH3) (from the dispatching IO to the receiving IO) or 2) Indirect Inter-Organization Transfer which also requires a sub-inventory transfer to put the goods into a receiving IO Transit locator. The latter is recommended as it allows recording of transit losses. The receiving CP shall provide the IO and locators, and the POET.   * **Direct inter org transfer** from US 01 D-stores to CP designated IO, using a staging locator in the D-stores sub-inventory. * **Indirect inter-org transfer**: to record the transit, goods are transferred from the US01 D-Stores UNHRD locator to the US External IO in-transit port locator. Once goods have arrived in country an inter org transfer from US01 to the CP’s External IO (usually into a port locator) is performed. From there, the CP takes ownership and performs subsequent IO and SI transfers until the goods are received at the primary warehouse or CRS office.   **For IS-CP**: The CP will record the receipt of goods in the General Ledger according to the [CRS Policy on Accounting for Inventory Assets (FIN-POL-INV-025-01E)](https://crsorg.sharepoint.com/:w:/r/sites/Global-Finance/_layouts/15/Doc.aspx?sourcedoc=%7BB8947D12-9BF0-4E6C-87A2-E866B1E31ECA%7D&file=Accounting%20for%20Inventory%20Assets%20policy.docx&wdLOR=cC1975419-6420-4F8F-A886-6CDF0022FF67&action=default&mobileredirect=true) (under CP POET) / Exp. Type 140021) as follow XXXXXX-ZZZ-140021.EEE with XXXXXX refers to Project Number, ZZZ refers to Task and EEE to the Exp. Org. This occurs manually as per CP processes.  **Note**: While in stock in the CP, Goods are treated as assets (D-Goods). They are booked in the inventory under one POET. If the goods need to be expensed to a different POET, they will first need to be transferred over to that POET by issuing out from inventory using the POET under which the items are booked and then received back into inventory using the new POET, then finally issued out using the new POET. |
|  | **UNHRD cost**  **(Per PI)** | CPs will absorb the cost of (as indicated on the PI):   1. transport from UNHRD warehouse to delivery location, including insurance, 2. handling charges occurring during dispatch, 3. 7% of MCR applied by UNHRD on all services provided. |
|  | **Stock replenishment[[3]](#footnote-3)** | Prepositioned Goods are strategic and must be replenished as soon as possible.  [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org) will initiate the requisition to be handled by HQ Procurement using  -For Dubai prepo: POET 100021.101.140021.327, contract # 40001),  - For Panama prepo: POET 200011.101.140021.326, contract # 40010  - For Ghana prepo: POET 200011.101.140021.326, contract # 40010.   1. If there is a desire to immediately replenish stocks prior to use (prior to revenue being recognized) then OverOps must authorize the expenditure for the procurement. 2. The purchase of replenishment stock, including the cost to replenish stock at a higher cost than the delivered cost, requires approved budgeted resources. These resources can include pre-positioned stock budget resources, capital budget resources, or discretionary expense resources, (e.g., .a) where the use is for a discretionary activity or where the transferred stocks are not fully used (as such do not fully generate sufficient revenue recognition to cover the replenishment costs) the “asset holder” must seek additional funding either from other existing discretionary budget (from the region or from OverOps reserves); or b) to cover increased price between the delivered item cost and the replenished item cost, HRD will need approval for capital budget resources (cash) to cover the price difference (asset capital increase)).   The CP will bear the cost of transportation of the replacement items to the UNHRD warehouse. This cost can only be charged to CP’s discretionary funding (1xxxxx) or emergency restricted funding as applicable. Donors shall not be charged for the transportation of replenishment goods[[4]](#footnote-4) |
|  | **Invoicing** | UNHRD will send invoices (Debit Note- DN) to [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org), based on the approved PI(s). After verification, [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org) will follow step K. |
|  | **Payment Process to UNHRD** | Within a maximum of 1 week time from the date the DN is received from UNHRD, [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org) will share the DN with the [Assistant Supply Chain](mailto:Brenda.lee@crs.org) for processing the payment in Insight.  **(To be completed within 2 weeks)** |
|  | **Payment process to HQ contracted transporter** | Follow standard HQ payment process.  **(To be completed within 2 weeks)** |

1. **Direct CP procurement:**

In rare situation the CP may contract UNHRD directly for goods or services. In those situations, the Country Representative CR) / delegate will seek PI signature from the [HRD Technical Director](mailto:donal.reilly@crs.org)  or [HRD Vice President](mailto:Jennifer.Poidatz@crs.org). CP is responsible for preparing the PO(s) as applicable. It is strongly advised to keep [CRS’s UNHRD focal point](mailto:CRSUNHRDfocalpoint@crs.org) informed on any request / communication with UNHRD.

If not already done, the CP should consider associating the CP to the WFP UNHRD code using the Supplier Webform which create a new relationship with the already existing UNHRD supplier code and the CP. NOTE: Use WFP UNHRD 242132 as the supplier name and 48102 as the supplier number).

If the CP contract third party transport directly, the CP receive the transporters invoices, verifies it, attaches supporting documentation and submits it to accounts payable within a maximum of 1 weeks from the date the invoice is received.

1. **Borrow / Purchase / Loan Options with UNHRD:**

It is possible through UNHRD to borrow stock and/or purchase goods. CRS can also loan its stock to other UNHRD partners.

1. **Borrowing stock through UNHRD**
   1. The same process described for accessing CRS’ prepositioned stock applies when stocks are borrowed at UNHRD.
   2. UNHRD will contact the stock owner to secure the necessary authorization.
   3. The borrowing agency is responsible for replacing the items with same specifications and quantities and at the same location it originated unless otherwise agreed. UNHRD generally takes the lead to purchase the items that have been borrowed. The stock owning agency will have to review and approve the specifications before the UNHRD’s replenishment purchase order is issued.
2. **Purchase through UNHRD**
   1. UNHRD is a Certified Humanitarian Procurement Centre
   2. The same process described for CRS’ prepositioned stock applies when stocks are purchased by UNHRD.
   3. HQ procurement coordinates between CP, UNHRD and HRD (Director and Vice-President).
3. **Loans through UNHRD**
   1. When CRS is asked to loan goods to another UNHRD partner agency, the CRS HRD is the stock Owner and responsible for all approvals and transactions.
   2. UNHRD will contact the stock owning agency to secure the necessary authorization.
   3. The borrowing agency is responsible for replacing borrowed items of the same specifications and quantities and at the same UNHRD location the loan originated unless otherwise agreed. UNHRD generally takes the lead to purchase and replenish CRS-owned items that have been borrowed by another agency. The HRD reviews and approves the specifications of the replenishment goods before the purchase order is issued.

**Insight specificity guidance**

1. **Receiving Goods (Reflecting the goods as assets in the system)**

**For IR-CP:**  Ownership of goods needs to be reflected in the system as It happens in the physical world. In Insight the UNHRD Warehouses are reflected under US01-Dstores- WH Locator (That can be Dubai, or any of the 7 UNHR Warehouses around the world)

* **Option 1**. Is CRS receiving and taking title of the goods at the UNHRD WH?
  + If yes, Purchase Order will be received, inspected and put away in the US01. (In this case assets will be booked against the POET in the Purchase Order.
  + Do the goods need to be transferred to the CP? System wise, this will be performed following steps required to reflect the actual path of the goods in real life
    - Are the goods going to be in transit? Then US Staff will move the goods out of the UNHRD Locator by doing the following system transaction: A Sub-Inventory Transfer from the US01 Inventory Organization/ D-stores/ UNHRD Locator, to the US-External/ In-transit, CP Port locator (This reflects goods to be in transit towards that CP)
    - Once the goods arrived at CP. CP will give the notification of arrival to the US Shipping department, and US LMIS at HQ Shipping department will do the transfer to CP by doing the following system transaction: An inter-org transfer from US External IO-In transit sub-Inventory to the CP External IO-In-transit-Port Locator or to the CP WH. Following the physical path of the goods. Are the goods at the port? Or Are the goods at the CRS Warehouse?
* **Option 2**. Is CRS receiving and taking the ownership of the Goods at CP?
  + If yes, Purchase Order will be received, inspected, and put away at any CP Inventory Organization. This can be the CP External IO-In transit Sub-Inventory port locator or CP WH-D-Stores.
* It all depends on where CRS is taking ownership of the goods, the process to follow.
* In all of the above cases, Goods remain assets charged to the Project used in the Purchase Order.

**For IS-CP**: The CP will record the receipt of goods in the General Ledger according to the [CRS Policy on Accounting for Inventory Assets (FIN-POL-INV-025-01E)](https://crsorg.sharepoint.com/:w:/r/sites/Global-Finance/_layouts/15/Doc.aspx?sourcedoc=%7BB8947D12-9BF0-4E6C-87A2-E866B1E31ECA%7D&file=Accounting%20for%20Inventory%20Assets%20policy.docx&wdLOR=cC1975419-6420-4F8F-A886-6CDF0022FF67&action=default&mobileredirect=true) - Procedure (under CP POET) / Exp. Type 140021) as follow XXXXXX-ZZZ-140021.EEE with XXXXXX refers to Project Number, ZZZ refers to Task and EEE to the Exp. Org. This occurs manually as per CP processes.

1. **Expensing Goods in Insight**

**For IR-CP: In Insight,** goods stored under any main IO/ D-stores sub inventory are assets which increase the CP Inventory valuation against a Specific Project.

In UNHRD, Goods are recorded under a HRD capital budget POET. These POET do not accept any expenses / charges. **CP needs to expense the goods against a different project. CP will provide the POET to the US Shipping department managing UNHRD system to perform this inventory project change.**

In the system, items are financially expensed by performing an Issue out transaction

In Insight, goods must be purchased, received, stored, moved, and issued out using the same POET code in the system. If the goods need to be expensed to a different project, they will need to be transferred over to that POET first. To transfer to a different POET, the goods must be issued from inventory using the original POET and then received back into inventory using the new POET, then finally issued out using the new POET.

Diagram

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1. Using UNHRD services / accessing prepositioned relief items does not waive CP requirements to follow CP Authorization chart [↑](#footnote-ref-1)
2. According to 2010 Incoterms (Supply Chain Manual / Section 5.IV) [↑](#footnote-ref-2)
3. Delivery incoterms for procured prepositioned items in Dubai UNHRD warehouse are Delivery at Place (DAP) [↑](#footnote-ref-3)
4. In any case CRS should not charge transport costs for replenishment to donors given they already paid for transport when goods were shipped from UNHRD stocks. [↑](#footnote-ref-4)