

**MINISTRY OF FINANCE AND PLANNING
30 NATIONAL HEROES CIRCLE
P.O. BOX 512 KINGSTON
JAMAICA**

ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE
ADDRESSED TO THE FINANCIAL SECRETARY AND THE
FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 92-28600-15

April 18, 2002

CIRCULAR NO. 3
FILE NO. 107/189
DIVISION: PUBLIC EXPENDITURE POLICY COORDINATION

Permanent Secretaries
Heads of Departments

Re: Electronic Employee Payroll Processing System

Permanent Secretaries and Heads of Departments are advised that with effect from pay cycle ending July 25, 2002 salary payments to monthly paid employees must be effected through the Electronic Payroll Processing System.

The Ministry of Finance and Planning has concluded agreements with several financial institutions and these agreements will form the basis on which ministries and departments must contract with their respective bankers.

The Electronic Employee Payroll Processing System is an electronic funds transfer service, which will enable a ministry or department to fund its salaries bank account and subsequently provide information to the bank for the update of each employee's account. The transactions are posted to the applicable employee accounts and a single entry is posted to the ministry or department's salaries account. This procedure eliminates the need for cheques to be prepared for each employee.

Benefits to be Derived

The use of this system will provide the following benefits:

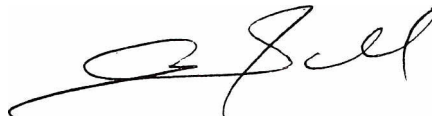
1. Reduction in the department's cost of acquiring cheque leaves;
2. Reduction in the risk of lost or stolen cheques;
4. Reduction in the charges associated with the storage, preparation and handling of cheques and the related bank service;
5. Reduction in the effort and resources needed to effect timely reconciliation of salary bank accounts;
5. Increase in time spent on the job by employees on payday;
6. Elimination of the need for employees to join long queues to encash paycheques;
7. Reduction in the cost to employees, where banks charge for over-the-counter transactions;
8. Elimination of the need for employees to travel with large sums of money, and;
9. Improved accessibility of funds on payday.

Request for Approval

Written authority must be received from the Financial Secretary prior to entering into contractual agreement with a Financial Institution. The request for approval should include the name of the financial institution in which the account is kept, the approximate number of persons on the payroll, the name of the payroll system being used, and the relevant specifications of the system.

Please ensure that this Circular is brought to the attention of all officers concerned.

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Shirley Tyndall (Miss)
Financial Secretary