



MINISTRY OF FINANCE AND PLANNING30  
NATIONAL HEROES CIRCLE  
P.O. BOX 512  
KINGSTON  
JAMAICA

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

Telephone No. 92-28600-15

January 28, 2003

CIRCULAR NO 2  
FILE NO. 107/045 III  
DIVISION: PUBLIC EXPENDITURE POLICY CO-ORDINATION DIVISION

Accounting Officers  
Heads of Departments

**Re: Settlement of Accounts due by Government -  
Financial Year Ending March 31, 2003**

Permanent Secretaries and Heads of Departments are invited to consider the following sections of the Financial Administration and Audit Act:

**Section 19A(4)** which provides that:

"Subject to section 24L, every appropriation by Parliament of public moneys in relation to any financial year shall cease to have effect at the close of that financial year and, except as otherwise provided in this Act, any unexpended balances in any accounts referred to in section 13 shall be paid into the Consolidated Fund Principal Bank Account."

**Section 24L** which provides that:

an unspent balance which exists in the relevant appropriation for that financial year may within a period of three (3) months after the close of the financial year be used for making payments due and owing for goods delivered, services rendered or work completed **before** the close of that financial year.

Despite the provision made in section 24L, ministries and departments must ensure that all charges incurred are disbursed as far as possible on or before the end of the financial year and only in unavoidable circumstances should payments be made under this provision.

Please be reminded that a list of the undischarged commitments, which will be paid over the three-month period must be prepared, and sent to the Public Expenditure Division of this Ministry for approval no later than April 30, 2003.

In order to facilitate the settlement of the various accounts by March 31, 2003, creditors should be notified that all claims for supplies delivered and services rendered should be submitted to the ministries and departments concerned by March 10, 2003. In the case of special expenditure, subventions, or other items for which provision has been

made only for the year, care must be taken to ensure that final payments are made by March 31, 2003 so that no charge is carried over to the new financial year. Recurrent charges such as telephone bills, electricity, rentals, etc., for the current financial year must be paid in full.

**Reimbursement should be obtained** for all advances made on account of expenditure chargeable to another Head of Estimates before the end of the financial year.

The instructions given above relate to commitments which have already been incurred or are otherwise absolutely unavoidable. Due to scarcity of resources, Permanent Secretaries and Heads of Departments must ensure that the greatest economy is exercised in the expenditure programmes for the remainder of the financial year. Any unexpended provision in the estimates of expenditure which is not required for purposes deemed unavoidable, should be allowed to lapse and be surrendered to the Consolidated Fund.

### **Salaries - March 2003**

Monthly salaries shall be paid on Tuesday, March 18, 2003 and weekly salaries for weeks ending March 23, 2003 and March 30, 2003 shall be paid on Wednesday, March 19, 2003. Remittances in respect of deductions from salaries, for example:

- (i) Civil Service Family Benefit Pension Contributions;
- (ii) Provident Fund Contributions;
- (iii) National Insurance Contributions;
- (iv) National Housing Trust Contributions;
- (v) Income Tax (P A YE) Deductions;
- (vi) Education Tax
- (vii) Motor Vehicle Loan Repayments;
- (viii) Salary Advance Repayments;

should be made by Monday, March 24, '2003, so that they can be brought to account before the close of the financial year.

### **Revenue and other Receipts**

All credits intended for the 2002/2003 accounts should be lodged to the appropriate account in the commercial banks before closing time on March 31, 2003. Lodgements of over \$20,000.00 for the credit of Expenditure Clearing Accounts after March 28, 2003 should, if intended to cover cheques drawn after that date, be advised by telephone to the Accountant General.

Principal Receivers of Revenue are also requested to ensure that all revenues collected during the month of March, 2003 are paid into the Consolidated Fund **before** the close of business on **March 31, 2003.**

Accounting Officers in the corporate area are asked to make prompt lodgement to their bank accounts during the month of March, 2003 in order to facilitate early reconciliation of such lodgements before the end of the financial year 2002/2003.

**Expenditure Clearing Accounts**

With regard to the Expenditure Clearing Accounts held in commercial banks and the surrender of the balances to the Consolidated Fund, Permanent Secretaries and Heads of Departments are hereby reminded that:

- (a) the accounts operated for 2001/2002 will be reactivated for 2003/2004;
- (b) ministries and departments should already have remitted all balances in the accounts for 2001/2002 to the Accountant General;
- (c) in an effort to ensure a smooth change over and prompt funding of the accounts, reconciliation of these balances must be effected and a copy of the reconciliation statement submitted to the Ministry of Finance and Planning Public Expenditure Division no later than **March 24, 2003** following which a cheque should then be issued or the bank requested to issue a cheque for the full balance in each account made payable to the Accountant General for credit to the Consolidated Fund. The cheque should be accompanied by a note indicating that the amount is in respect of Surrenderable Balances for *2001/2002* or any prior financial year, as applicable. The accounting entries for this transaction are as follows:

Consolidated Fund Provision Account	Dr
Bank Account	Cr
FMIS Event #0954 or 0957	

Permanent Secretaries and Heads of Departments **must** ensure that all balances in the 2001/2002 Expenditure Clearing Accounts are cleared by Monday, March 31, 2003.



Shirley Tyndall (Miss)  
Financial Secretary