



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

Telephone No: 92-28600-16  
Website: <http://www.mof.gov.jm>  
Email: [info@mof.gov.jm](mailto:info@mof.gov.jm)

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

**May 21, 2007**

**Circular No. 10**

**File No. 107/110**

**Division: Public Expenditure Policy Co-ordination**

Permanent Secretaries  
Heads of Departments  
Chief Executive Officers

**Re: Acceptance of Cheques in Payment of Public Monies**

Permanent Secretaries, Heads of Department and Chief Executive Officers are hereby informed that Circular No. 7 Ref # 107/110 dated April 20, 2005 and Financial Administration and Audit Act Instructions 4.13 – 4.18 have been amended as follows:

**4.13 Cheques to be Accepted**

4.13.1 The following cheques may be accepted in the payment of public monies.

- (1) valid cheques drawn by another ministry, department, agency or public body;
- (2) valid cheques drawn by any reputable organisation or individual for which the ministry, department, agency or public body has had a long and ongoing relationship and where such cheques have been authorised by an appropriate senior accountable officer of the ministry, department or agency;
- (3) valid manager's cheques issued by a local licensed commercial bank that is regulated by the Bank of Jamaica (see list attached)
- (4) valid cheques issued by a licensed financial institution that is regulated by the Financial Services Commission (see list attached)

- (5) valid cheques issued by a licensed Building Society regulated by the Bank of Jamaica (see list attached)

4.14 Conditions for Acceptance of Cheques

4.14.1 Cheques to be accepted for the payment of public monies must:

- (1) be drawn in favour of the ministry, department, agency or public body to which the payment is being made,
- (2) not be drawn for an amount in excess of the amount due (no cash refund/change must be made out of any cheque payment)

4.15 Personal Liability

4.15.1 An accountable and/or a collecting officer/cashier who accepts a cheque other than those described in section 4.13.1 shall be personally responsible for any loss or deficiency arising therefrom, even in circumstances where from his/her personal knowledge he/she is satisfied that the cheque accepted would be honoured by the drawer's bank.

4.16 Authorisation of Cheques

4.16.1 Permanent Secretaries, Heads of Departments and Chief Executive Officers must designate in writing the appropriate senior accountable officer(s) in their ministry, department or agency who shall have discretionary powers in accepting cheques listed at 4.13.1(2).

4.16.2 Officers who authorise personal cheques must on the reverse side of these cheques place their signatures, and state the drawers' names, business/work and home address, business/work and home telephone number(s), and cellular number(s)

4.16.3 The identity of the drawer should be verified by a valid form of identification (i.e. Driver's License, Passport or Voter Identification Card)

4.16.4 The particulars of the identification must be noted on the reverse side of the cheque.



4.17 Receipt of Cheques

4.17.1 Each receipt (duplicate included) issued in respect of a payment made by cheque, should bear a stamp inscribed as follows:

**“Cheque accepted as conditional payment only”**

4.18 Dishonoured Cheques

4.18.1 Where a cheque is dishonoured by the bank, the drawer should be regarded as having made no payment and the accounting officer must take the following actions:

- (1) stop any service, supply or payment contemplated in connection with the cheque received;
- (2) ascertain the reason for the cheque being dishonoured and call upon the drawer to make full recovery of the original amount due plus any bank charges, interest or penalty accrued. **No more cheques should be accepted from the drawer where the original cheque was dishonoured due to lack of funds.** However, if a cheque is dishonoured because of an incorrect date, absence of signature, difference between amount in figures and amount in words, or an unsigned error, this should not prejudice the acceptance of future cheques from this drawer provided that none of these events occurred in excess of two (2) times in the past;
- (3) ascertain whether the accountable officer and/or collecting officer/cashier breached the instructions contained in this circular by improperly accepting the cheque and in the case where the amount is not recovered within five working days, report the matter to the Auditor General and to the Financial Secretary for possible surcharge action;
- (4) report the matter to the Police at once where fraud or any other criminal offence is suspected in relation to the dishonoured cheque;
- (5) make the appropriate accounting entries to reflect the dishonoured cheque in the accounting records. This should include opening an advance account in the name of the accountable and/or collecting officer/cashier where the cheque was improperly accepted. The advance account should be for the amount of the cheque plus all charges incurred;
- (6) promptly clear the advance account at (5) above by full recovery of all outstanding amounts including all charges incurred; and

- (7) where the cheque is dishonoured and it was properly accepted open a dishonoured cheques account for the amount of the cheque plus all charges incurred while efforts for recovery are pursued. Where these sums have been deemed to be irrecoverable write-off must be done in accordance with Circular No.9 – Loss of Public Money.

#### 4.18A Foreign Cheques

- 4.18A.1 Cheques originating from outside Jamaica such as international money orders, bank drafts and personal foreign cheques are also subject to the provisions of this Circular where applicable.

#### Conclusion

Permanent Secretaries, Heads of Departments and Chief Executive Officers must ensure that this circular is brought to the attention of all relevant officers in their ministry, department, agency or public body.



Colin Bullock  
Financial Secretary



## **APPENDIX 1 – LIST OF LICENSED BANKS AND FINANCIAL INSTITUTIONS**

### **LICENSED COMMERCIAL BANKS REGULATED BY BANK OF JAMAICA UNDER THE BANKING ACT**

- The Bank of Nova Scotia Jamaica Limited
- First Caribbean International Bank (Jamaica) limited
- National Commercial Bank Jamaica Ltd
- First Global Bank Limited
- RBTT Bank Jamaica Limited
- Citibank N A

### **LICENSED MERCHANT BANKS & FINANCE HOUSES (NEAR BANKS) REGULATED BY BANK OF JAMAICA UNDER THE FINANCIAL INSTITUTIONS ACT**

- Capital & Credit Merchant Bank Ltd
- Citimerchant Bank Ltd.
- DB& G Merchant Bank Ltd.
- MF&G Trust & Finance Ltd.
- Pan Caribbean Merchant Bank Ltd.

### **LICENSED BUILDING SOCIETIES REGULATED BY BANK OF JAMAICA UNDER THE BUILDING SOCIETIES ACT AND THE BANK OF JAMAICA (BUILDING SOCIETIES) REGULATIONS, 1995**

- First Caribbean International Building Society
- Jamaica National Building Society
- The Scotia Jamaica Building Society
- Victoria Mutual Building Society