



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

May 24, 2007

Circular No. 14
File No. 107/022
Division: Public Expenditure Policy Co-ordination

Permanent Secretaries
Heads of Departments
Chief Executive Officers

Re: Public Sector Investment Guidelines

The attention of Permanent Secretaries, Heads of Departments and Chief Executive Officers is invited to the guidelines herein relating to the investment of public funds.

1. Delegation of Authority

- 1.1 Permanent Secretaries, Heads of Departments and Chief Executive Officers shall assign or designate an appropriate officer as the entity's Investment Officer to be responsible for the management of its investment portfolio. (NB. No new post should be created on account of this function).
- 1.2 The Investment Officer's activities must conform to the Investment Policy approved vide Cabinet Decision No. 10/07 dated March 26, 2007.

2 Authorized Financial Institutions and Investments

- 2.1 MDAs (Ministries, departments and agencies) shall invest funds only in institutions regulated by the Banking Act, the Financial Institutions Act, the Building Societies Act or the Financial Services Commission Act.

2.2 MDAs are authorized to invest public funds only in those investments specifically outlined below:

- i) GOJ Treasury Bills
- ii) GOJ Local Registered Stocks
- iii) GOJ Debentures and Bonds
- iv) BOJ Repos
- v) Demand Deposit Accounts (chequing accounts)
- vi) Certificates of Deposit
- vii) Any other investment authorized by the Ministry of Finance and Planning.

2.3 No more than twenty-five (25%) percent of an MDA's total portfolio should be invested in a single security type or with a single financial institution except where the investment is backed by Government of Jamaica securities.

2.4 MDAs shall not directly invest in securities maturing more than one year from the date of purchase.

2.5 Prior and written approval must be obtained from the Financial Secretary for all investments in securities except where there is a standing arrangement with the Ministry of Finance.

3 Investment Interest

3.1 MDAs must promptly lodge all investment interest earned to the Accountant General Miscellaneous Revenue Account in accordance with the provisions of the Financial Administration and Audit (FAA) Act and Regulations and Instructions.

3.2 MDAs may apply to the Ministry of Finance & Planning for a portion or all of the interest earned from investments, to be utilized on activities/projects, which are inadequately or not provided for in the budget. These requests must be sent to the DFS, Public Expenditure (PEX) Division for consideration for approval and inclusion in the Supplementary Estimates of Expenditure.

3.3 The requests to utilize the interest earned or a portion thereof will be examined on a case-by-case basis and approval granted only in particular circumstances where the MDA is in dire need of funds to undertake approved activities or projects which cannot be met from the existing budget.

3.4 Where such approval is granted, the amount will be included in the Supplementary Estimates of Expenditure and provided to MDAs through Warrant releases or Cash Advances.

3.5 MDAs must ensure that interest earned within the financial year is not reinvested for a period exceeding the end of the financial year in order to ensure that it is remitted to the Accountant General for Miscellaneous Revenue before the close of the financial year.

3.6 Funds held in MDAs' prior year bank accounts should not be invested, but must be paid over to the Consolidated Fund as quickly as possible, unless in special circumstances where prior and written approval is given by the Ministry of Finance & Planning for such investment.

3.7 The amount of interest earned that have been paid or estimated to be paid over to the Accountant General for Miscellaneous Revenue shall be incorporated in the Revised Estimates of Revenue for the financial year

4 Rolling Over of Investments

4.1 Prior and written approval must be obtained from the Financial Secretary for the rollover of all investments in securities. The request for such approval must be submitted at least five (5) working days prior to the maturity of the security.

5 Accounting and Reporting

5.1 All official bank accounts, including Call Accounts, must be reconciled monthly and at the end of the financial year in keeping with the FAA Act Regulation 23.

5.2 In keeping with Section 17(2) (b) of the FAA Act, Accounting Officers must submit to the Financial Secretary and the Auditor General, monthly returns showing the balances held in all bank accounts including Call Accounts. This is to be submitted via FS4 – Statement of Bank Balances.

5.3 Accounting Officers are required to submit to the Auditor General and the Financial Secretary a Monthly Statement of Investment - FS18 by the fourteenth day of the following month. The format of the Investment Report is attached.

6 Public Bodies

6.1 The Investment Policy approved by Cabinet vide Cabinet Decision No. 10/07 dated March 26, 2007 as well as this Circular do not apply to public bodies, trust and special funds.

6.2 The investment policy of public bodies, trust and special funds must be: -

(a) in accordance with the provisions of their establishing statute, articles of association, trust deed etc.; and

(b) approved by the entity's Board or governing body.

6.3 Where a public body does not have a written investment policy one must be developed based on as far as possible the Public Sector Investment Policy and in accordance with the entity's enabling statute, articles of association, trust deed etc.

Permanent Secretaries, Heads of Departments and Chief Executive Officers must ensure that this circular is brought to the attention of all relevant officers.



Colin Bullock
Financial Secretary

Ministry/Department _____

Head No. _____ Month _____ Year _____

[illegible]

Accountant: _____

Financial Controller/
Director of Finance: _____

Accounting Officer: _____

Date: _____

Date: _____

Date: _____