

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 MINISTRY OF FINANCE AND THE PUBLIC SERVICE 30 NATIONAL HEROES CIRCLE P.O. BOX 512 KINGSTON JAMAICA

JULY 1, 2010

CIRCULAR NO. 22 FILE NO. 107/022

DIVISION: PUBLIC EXPENDITURE POLICY COORDINATION

Permanent Secretaries Heads of Department Chief Executive Officers Chairmen of Boards

RE: REVISED REQUIREMENTS FOR CASH FLOW, COMMITMENTS AND ACCOUNTS PAYABLE

Permanent Secretaries, Heads of Department, Chief Executive Officers and Chairmen of Boards of Public Bodies are reminded of the Government's efforts to improve public financial management and control expenditure. Among the strategies being adopted are:-

- (a) Exercising fiscal discipline/prudence in the management and use of public resources and the taking of disciplinary action to enforce individual accountability;
- (b) Strengthening the system of commitment control and reporting on commitments;
- (c) Addressing public sector arrears by maintaining a detailed inventory of payables, establishing timetable for their settlement and close monitoring to prevent the build up of new arrears;
- (d) Improving the control and monitoring of payroll cost; and
- (e) Implementing a Central Treasury Management System (CTMS).

In order to assist in the achievement of the critical fiscal targets, ministries, departments, agencies and public bodies funded from the Consolidated Fund must with effect from July 1, 2010 submit the following statements to this Ministry.

REPORTS

REMARKS

1. Quarterly Commitment Projection (Appendix i)

Commitments are represented by signed contracts, issued purchase orders, salary agreements.

Commitments should not include information from the tendering stage or where quotations are being sought.

2. Recurrent – Monthly Cash Flow Request (Appendix ii) This report must include all unpaid invoices, bills categorised by age, in addition to regular obligations for the recurrent expenditures.

3. Capital – Monthly Cash Flow Request (Appendices iii and iii a)** This report must include all unpaid invoices, bills categorised by age, in addition to regular obligations for capital projects.

The Quarterly Commitment Projection must be submitted no later than twelve (12) working days prior to the beginning of the quarter. This project should be in line with the approved Estimates of Expenditure.

The Recurrent and Capital monthly Cash Flow requests must be submitted no later than twelve (12) working days prior to the beginning of the month.

Ministries, Departments, Agencies and Public Bodies are hereby advised that the level of Government arrears must be effectively managed. The accumulation of unpaid bills over ninety (90) days should not go beyond March 31, 2010 balance. Ideally there should be no accumulation of new arrears. Therefore, close monitoring of arrears is required.

Permanent Secretaries, Heads of Department, Chief Executive Officers, and Chairmen of Boards of Public Bodies are asked to ensure that this Circular is brought to the attention of all relevant officers.

All reports must be submitted to:-

Deputy Financial Secretary Public Expenditure Division Ministry of Finance and the Public Service 30 National Heroes Circle Kingston 4

> Wesley Hughes, CD Financial Secretary

^{**} Appendix iii a. relates to information for Capital B Projects only.

Central Government Quarterly Commitments Projections

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| antad Commitman | ts for Quarter Beginning | | | | | |
|------------------------|--|---|--|---------------------------------------|----------------------|---------|
| ected Commitmen | artment/Agency/Public Body: | | | | | |
| ie or winnstry/Dep | sartment/Agency/r ubitc body. | | | | | |
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| Recurrent / Capital | | | Total Value of | EX | pected Month of Paym | ient |
| | Objects/SubObjects | Decsription of Commitment for which Obligations/Contracts/Purchase Orders Exists (including salaries) | Obligations/Contracts/ Purchase Orders for New Quarter | Month 1 | Month 2 | Month 3 |
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| | | | PAYABLES | | | | | | | Cash Required to meet Regular Monthly Obligations | | | | | | |
| Objects/SubObjects | Approved Estimates of Expenditure 2010/2011 | Actual Expenditure As At | 0-30 days | 31-60 days | 61-90 days | Over 90 days | Total Stock of Payables | Cash to be Allocated in Warrant to Liquidate Payables | Object 30 | | | Total Cash | | | ent Schedule | |
| | | | | | 01-00 days | Over 30 days | Payables | Payables | Object 30 | Regular | Total | Required | Week 1 | Week 2 | Week 3 | Week |
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^{**} Unpaid invoices, bills, or statements for goods or services provided by contractors/suppliers/vendor

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| rojects/Objects/SubObjects | 2010/2011 | At | 0-30 days | 31-60 days | 61-90 days | Over 90 days | Payables | Pavables | Fund Payments | Regular | Total | Total Cash Required | | | | |
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2010/2011 Multilateral/Bilateral Projects CASH FLOW REQUEST (\$"000)

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| | GOJ Counterpart Funds | Spending from Special A/Cs | Reimbursable Expenditure | Direct Payments | Total | GOJ Counterpart Funds | Spending from Special A/Cs | Reimbursable Expenditure | Direct | Total | | Remarks & P | oject Status |
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