



MINISTRY OF FINANCE AND THE PUBLIC SERVICE
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Division: Public Expenditure Policy Coordination

Permanent Secretaries
Heads of Departments
Chief Executive Officers
Chairmen of Boards

Re: Control of Public Utility Services

The attention of Permanent Secretaries, Chief Executive Officers, Heads of Departments and Chairmen of Boards is invited to the guidelines established herein to ensure more stringent control over public utility services.

1 Government's Liability

- 1.1 Government shall be liable only for utility services it consumed, as reported by meter readings or based on an appropriate measuring device or mechanism in accordance with the contractual agreement with the public utility company.
- 1.2 Under no circumstance a government entity shall make payment for utility services in respect of unknown accounts or meter numbers. The basic principle shall be that the government must pay for the utility service it consumes and for which it has a contractual arrangement.
- 1.3 In the case of a public sector entity that shares the cost of a public utility service with another entity, whether by way of a maintenance contract or otherwise, each entity shall be liable only for that portion of the utility service agreed on. If the government portion of the shared cost escalates, without there being any additional consumption or rate increase, the ministry, department, agency or

public body shall renegotiate the agreed mechanism for apportionment of the shared cost. The public sector entity shall continue to pay the agreed portion of the utility service charge until a new basis of apportionment is agreed on with all relevant parties.

2 Control of Cost

- 2.1 Ministries, Departments, Agencies and Public Bodies (MDA&PB) must ensure that all public utility meters under a contractual agreement with a public utility company are: -
 - (a) Safeguarded;
 - (b) Kept functioning properly by the utility company in accordance with the terms and conditions of the service contract;
 - (c) Free of any illegal or unauthorised connections; and
 - (d) Accessible to meter readers.
- 2.2 If a MDA or PB suspect that there is an illegal connection to the utility meter, the MDA or PB must contact the relevant utility company as soon as the observation is made for an inspection to be carried out.
- 2.3 Where it is suspected that a meter is defective, this must be reported immediately to the public utility company and the necessary follow-up done to ensure that it is remedied within twenty (20) working days in the case of electricity meter and thirty-five (35) working days in the case of water meter.
- 2.4 Where a meter is suspected as being defective or the reading is suspected to be incorrect, the public entity shall continue to make payment to the utility company pending the necessary investigation and adjustment made by the utility company.
- 2.5 Illegal or unauthorised connections to any public utility system of a MDA&PB must be reported immediately to the Police, the Utility Company and the Financial Secretary and the necessary action taken in conjunction with the utility company to remove the connection forthwith.
- 2.6 Public Utility Registers must be maintained by each MDA&PB to allow for the monitoring and tracking of utility consumption and charges. See the Appendix 2.

2.7 Each MDA&PB must have an officer assigned the duties of a "Public Utility Officer" with responsibility for the overall management and control of utility costs. This shall involve the following:

- (a) Monitoring the implementation of conservation measures. See Appendix 1 for guidelines on energy conservation measures.
- (b) Detecting all leaks, wastage or unauthorised use of water and promptly addressing the matter.
- (c) Liaising with the public utility companies.
- (d) Checking the utility registers to identify unexplained increase in consumption levels.
- (e) Ensuring that the costs of private telephone calls are recovered promptly.
- (f) Contacting the utility companies and/or Bureau of Standard for routine inspection of all meters.
- (g) Observing the meters to ensure that they are functioning effectively.
- (h) Maintaining a utility register.
- (i) Liaising with the Accountant General's Department and the Ministry of Finance and the Public Service regarding the payment of utility bills.
- (j) Prepare monthly reconciliation of payments made by Accountant General and the amount billed by the utility companies to ensure accuracy of payment.

2.8 Public schools, colleges, parks, markets, civic centres, hospitals, health centres, libraries, public sanitary conveniences, children homes; public bus terminals, infirmaries, correctional institutions, police stations, and other public entities., must ensure greater vigilance in the containment of public utility charges and shall where appropriate: -

- (a) Replace the traditional pipe taps with self closing taps.
- (b) Remove or secure all pipe taps that are in open areas and subject to community use.
- (c) Prohibit the washing of private motor vehicles, the filling of drums for private use and other unauthorised use of water.

- (d) Recover the cost of utility services from any event for which the Government facility was used for private purposes.

3. General Conditions for Payment of Public Utility Charges

- 3.1 Invoices and Bills from utility companies must be checked for correctness of claim. This shall include checking the correctness of the account number, meter number, phone number, the period of the claim, the amount of the claim etc.
- 3.2 Public Utility Charges that have been checked and verified must be paid promptly.
- 3.3 Where there is a difference between the paid amount and the actual amount to be paid as per bill, the difference shall be addressed by the utility company in the subsequent month's bill. The PUO shall check all utility bills for the correctness of the application of such adjustments.
- 3.4 The relevant utility register must be updated upon receipt and payment of utility charges.

4. Payment of JPS and NWC Bills by MDAs and Public Bodies on budget

- 4.1 With effect from October 1, 2010, JPS and NWC bills in respect of MDAs and public bodies on budget will be paid directly by the Accountant General from warrant allocation in the same way income tax and education tax are being paid.
- 4.2 The amount paid by the Accountant General to JPS and NWC will be withheld from the relevant MDAs' monthly warrant allocation.
- 4.3 Where MDAs' electricity and water charges are a part of a maintenance contract or strata plan those public entity bills will not be paid by the Accountant General.
- 4.4 The procedures for effecting the payments at 3.1 are outlined at Appendix 2
- 4.5 The relevant utility register must be updated upon receipt and payment of utility charges.

5. Contract Termination or Transfer

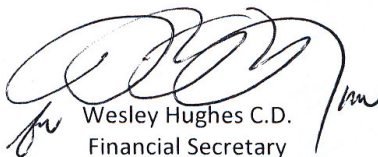
- 5.1 Where a MDA&PB has changed location or has become defunct, the public utility companies must be promptly notified and the contract terminated in accordance with its terms and conditions

- 5.2 On termination of contract, all outstanding utility charges must be settled. Settlement can be by payment or set-off against the deposit held by the utility company.
- 5.3 Where there is a change in ministerial portfolio responsibilities and a public sector entity is shifted, the utility service contracts of that entity must be taken over by the new portfolio entity and the public utility company notified for adjustment of the contract. The outgoing entity must settle all utility charges up to the date of the transfer.

Conclusion

Permanent Secretaries, Heads of Departments, Chief Executive Officers and Chairmen of Boards should ensure that staff is sensitized on conservation measures and the new requirements in this Circular. In addition, please be reminded that strict fiscal discipline must be exercised to control public utility charges within the limits of the budgetary allocations.

Please ensure that copies of this Circular are sent to all relevant persons in your ministry, department, agency and public body.


Wesley Hughes C.D.
Financial Secretary

Appendix 1

Guidelines On Conservation Measures

1. Clean air conditioning filters regularly
2. Install compact fluorescent bulbs
3. Turn off lights when leaving a room vacant
4. Check all faucets to ensure that they do not leak
5. Check toilets for leaks
6. Have your meters tested regularly to ensure that there are no leaks
7. Upgrade to energy efficient appliances
8. Unplug equipment when they are not in use
9. Plug equipment into power strip in order to switch off equipment when not in use
10. If funds are available, install motion sensing light switches in rooms that are not used regularly to minimise cost.
11. Install self closing taps if funds permit
12. Purchase new appliances that operate only on 50hz or 50 cycle or 50/60 hz

UTILITY REGISTER				
TYPE OF UTILITY	Electricity/ Water/Telephone			
ORGANISATION NAME				Organisation No.
Meter No. /Telephone No.	Billing Cycle	Amount Deposited	Deposit Cheque No. Date & Voucher No.	Contract No.
				Account No
Premises/ Address or Location				
Other Particulars				

[illegible]

Bill Period		Meter Reading				Bill Due Date	Bal B/F Previous Period	Current Month Bill Amount	Total Amt Payable	Amount paid	Cheque No./ Transit No.	Date Paid	Remarks
From	To	Previous		Present									
		A or E		A or E									

A - Actual, E - Estimated

A - Actual , E - Estimated

Appendix 3



PROCEDURES

FOR PAYMENT OF JPS AND NWC BILLS


BY THE

ACCOUNTANT GENERAL'S DEPARTMENT

ON BEHALF OF

***MINISTRIES, DEPARTMENTS, EXECUTIVE AGENCIES
AND PUBLIC BODIES ON-BUDGET***

Prepared by: Ministry of Finance and the Public Service
September 2010



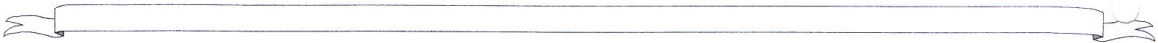
GLOSSARY

CTMS	Central Treasury Management System
GCPUPS	Government Central Public Utility Payment System
HMFPS	Honourable Minister of Finance and the Public Service
MDA	Ministry, Department and Agency
MOFPS	Ministry of Finance and the Public Service
NWC	National Water Commission
PUO	Public Utility Officer
TSA	Treasury Single Account
UHWI	University Hospital of the West Indies
UWI	University of the West Indies



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1. Introduction

- 1.1 The Government of Jamaica is pursuing the policy of establishing a central treasury management system (CTMS) to bring the responsibility for treasury management under the control of the Accountant General's Department.
- 1.2 Under the CTMS, MDAs will continue to be responsible for executing their budgets, through planned expenditure management and control. MDAs will continue to prepare, process and authorise their payments. However, the actual payments will be done by the Accountant General's Department from the TSA based upon payment instructions from MDAs.
- 1.3 In keeping with the above policy, with effect from **October 1, 2010** the Accountant General's Department will be responsible for all payments to the NWC and the JPS on behalf of the MDAs and public bodies on-budget. The amount for NWC and JPS will be deducted from the respective warrant allocations. This document provides the procedures for Government Central Public Utility Payment System (GCPUPS).

2. Scope

2.1 The Government Central Public Utility Payment System (GCPUPS) shall apply to:-

- Ministries;
- Departments;
- Executive agencies;
- Public schools, colleges and universities (excluding the UWI);
- Hospitals, health centres (excluding the UHWI); and
- All public bodies on-budget.

2.2 GCPUPS shall not at this time apply to:-

- Parish councils, municipal authorities;
- Self-financing public bodies;
- MDAs with lease agreements which cover the cost of water and electricity;
- Street Lights and Standpipes;
- Overseas missions and offices; and
- Government houses and properties under the National Housing Fund.

3. Assignment of Public Utility Officer

- 3.1 Permanent Secretaries, Heads of Departments and Chief Executive Officers must in accordance with Section 2.6 of Circular # 30 dated September 27, 2010 advise in writing the Accountant General and the Deputy Financial Secretary, Public Expenditure Division of the name and contact numbers of the officer assigned the duties of "Public Utility Officer" (PUO). This must be done by October 8, 2010.

4. The Payment Procedure.

- 4.1 PUOs must by October 8, 2010 sign off on a list of NWC and JPS utility meters and accounts for which their ministry, department, agency or public body have service contracts. These meter numbers must be reconciled with the utility companies.
- 4.2 The JPS and the NWC shall each month electronically transmit to the PUOs of MDAs and public bodies on-budget the billing information in respect of the agreed list at 4.1. (NB. This will not replace the regular bills but will facilitate the quick exchange of information between MDAs and the utility companies).
- 4.3 The regular bills when received shall be checked in the normal manner as stipulated at Section 3.1 of Circular # 30 dated September 2010. The following journal entry must be made for the verified amount of the bill:-

Expenditure Dr
Accounts Payable Cr

(NB. The above is applicable to MDAs on the FinMan accrual accounting system. , Appropriate entry must be made by other entities)

- 4.4 Based on the electronic billing information transmitted, MDAs must submit in the usual manner to the MOFPS, their cash flow request for electricity and water. This must include the electricity and water expense component of the grant and subvention to be made to public bodies under their portfolio.
- 4.5 The cash flow request will be examined by MOFPS Budget Analysts to ensure that the relationship with the approved budget is maintained. Excessive arrears of utility payments shall be 'flagged' for attention and the relevant MDA advised of action to be taken. A decision will be made by the MOFPS as to the amount of the utility payment arrears which can be accommodated in the warrant for the month.
- 4.6 Upon approval of the warrant by the HMFPS, the MOFPS Cash Management Unit shall inform both the MDAs and the Accountant General of the amounts to be withheld from the warrant of individual MDAs for the month to facilitate direct payment by the Accountant General's Department to JPS and NWC.

- 4.7 After being notified by MOFPS of the warrant provision for water and electricity, PUOs must advise the utility companies of the sums approved and the meters/accounts to which the sums should be applied.
- 4.8 On or before the 20th calendar day of each month, the Accountant General must transfer the total sum allocated for water and electricity as specified in instructions from MOFPS to the JPS and the NWC.
- 4.9 On receipt of the funds from the Accountant General, the utility companies shall within twenty-four (24) hours record the actual payments against all meters/accounts specified by MDAs at 4.6 above.
- 4.10 Within two (2) working days of recording the amounts as payments against the accounts of the MDAs, the utility companies must provide MDAs and the MOFPS with an electronic report reflecting the actual payments and the impact on the accounts.
- 4.11 MDAs on receipt of the report at 4.10 shall make the following journal entries:-

*Accounts Payable Dr.
Warrant Receivable Cr*

(NB. The above is applicable to MDAs on the FinMan accrual accounting system. Appropriate entry must be made by other entities)

5. Public Bodies On-budget

- 5.1 Public Bodies on budget must apply all the steps in these procedures where relevant.
- 5.2 Ministries shall deduct from the monthly grant/subvention in respect of their public bodies the sums paid directly to JPS and NWC by the Accountant General's Department on their behalf.

6. Critical Deadlines

- 6.1 The following timelines are critical for the success of the system and must be met by all parties:-

Event	Parties	Deadline
Submission of the Electronic Billing Information	From JPS/NWC to MDAs/ public bodies on-budget	Fifteen (15) working days prior to the beginning of the month for which the bills fall due for payment.
Cash Flow including the amount	From MDAs/ public bodies on-	Twelve (12)

Event	Parties	Deadline
to be paid in the month for electricity and water;	budget to the Ministry of Finance & the Public Service	working days prior to the beginning of each month
Advise of warrant amounts to be with-held.	From MOFPS to the Accountant General's Department	On or before the 3 rd calendar day of each month
Advise to JPS/NWC of the sums approved by MOFPS for payments and the meters/accounts to which the sums should be applied.	From MDAs/ public bodies on-budget to JPS/NWC	On or before the 5 th calendar day of each month
Payment to JPS and NWC	From Accountant General's Department to JPS and NWC	On or before the 20 th calendar day of each month
Provide electronic report reflecting the actual payments received and the impact on the accounts.	JPS/NWC to the MDAs and the MOFPS	Within three (3) working days of receipt of payment

7. General

- 7.1 Under no circumstances, MDAs or public body on-budget make any payments to JPS and NWC without the prior and written approval of the Deputy Financial Secretary, Public Expenditure Division of the Ministry of Finance and the Public Service.

8. Conclusion

- 8.1 These procedures must be strictly adhered to. For clarification on any matter herein please call 932-5242-6. Advice for simplifying and improving the process are welcomed and should be forwarded to the Financial Systems Unit, the Public Expenditure Policy Coordination Division in MOFP.