



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

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MINISTRY OF FINANCE AND THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
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Circular No. 11

File No. 107/022

Division: Public Expenditure Coordination Division

Permanent Secretaries
Heads of Departments
Chief Executive Officers
Chairmen of Boards

Re: Procedures for GOJ Payments using the Real Time Gross Settlement (RTGS) System

Ministries, Departments and Agencies (MDAs) are hereby advised of the following procedures in requesting commercial banks to effect payments on their behalf using the RTGS system.

With immediate effect, all payments made by MDAs to persons and organisations for a sum of Three Million Dollars (\$3M) and above must be made by commercial banks or other authorised financial institutions on their behalf using the RTGS system.

1. Verification of Payments

- 1.1. Payments of \$3 Million and above must satisfy the conditions of probity, propriety, transparency and accountability, comply with all the provisions of the Financial Administration and Audit (FAA) Act and any other relevant enactment.
- 1.2. All payments to be made through the RTGS System must be supported by a payment voucher or an appropriate payment document to which the relevant source document must be attached. These documents must be duly checked, certified and authorized in accordance with the Financial Administration and Audit Act and all other relevant laws and regulations.
- 1.3. The payment vouchers at 1.2 must be maintained in separate files from all other payment voucher files and must have its own numbering sequence.

2. Instruction to Banks

- 2.1. MDAs and Public Bodies may establish with their banks an online facility for making payments through the RTGS system.
- 2.2. The online connection must be available only to authorised accountable officers who are signatories to the bank account
- 2.3. MDAs and Public Bodies requesting their commercial banks or authorised financial institutions to effect payments on their behalf should do so by formally making the request or by using the institution's online access system.
- 2.4. MDAs and Public Bodies must obtain in writing from payees, the information below at 2.5 (a) to (c). This must be signed by payees attesting to its accuracy.
- 2.5. The information entered on the online system or provided to the Bank must be accurate and have at minimum the following information:
 - a) Payee's name
 - b) Payee's account number
 - c) Name of Payee's Bank and Branch
 - d) Amount to be paid
 - e) Date payment to be effected
- 2.6. It is critical that the above information be checked thoroughly to ensure accuracy before uploading is done or before submission to the bank.
- 2.7. The authorisation of online payment must be done by written instruction to the bank, signed by persons from Category A and Category B of the authorised signatories to the bank account.
- 2.8. Valid documentary evidence of the request to the bank or the information entered in the online system must be attached to the relevant payment voucher or document.
- 2.9. Online payments and payment requests to the bank must only be authorised and made if sufficient funds are in the bank account to facilitate the payment and any attendant bank charges in accordance with the FAA Act Regulations 30 & 57 of 2011;

FAA Regulation 30 states:

- (1) *"Accounting and accountable officers shall ensure that official bank accounts are not overdrawn.*
- (2) *Accounting and accountable officers may be surcharged for--*
 - (a) any deficiency or loss resulting from failure to reconcile official bank accounts within the prescribed period".*
 - (b) the interest charges on any overdrawn official bank account where no prior written approval was granted by the Financial Secretary in respect of such overdraft.*

FAA Regulation 57 states:

- (3) *"Electronic transfers shall not be done unless the requisite funds are available in the relevant official bank account.*
- (4) *Officers effecting electronic transfer payments shall be surcharged for any overdraft caused by these payments*
- (5) *The surcharge shall be for the amount of the interest, fees and any other charges incidental to or arising from the overdraft"*

3. Confirmation of Payments

- 3.1. Payments that have been executed through the online system or by the bank must have a confirmation document as proof of payments. This document must be attached to the relevant payment voucher.

4. Erroneous Payment

- 4.1. Where an error occurs that causes the funds to be transferred to an incorrect account or wrong payee, the bank must immediately be contacted to assist in resolving the matter. Where the matter cannot be resolved resulting in a loss to the Government, a report must be submitted forthwith to the Financial Secretary and the Auditor General. The report must have all information pertaining to the erroneous payment, in addition to the names of the negligent officers so that an investigation and where applicable, surcharge proceedings can be initiated. In the case of Public Bodies, this matter must be addressed by the Board of the entity.

5. Accounting for Payments

- 5.1. Payments made by the bank through the RTGS system on behalf of MDAs must be brought to account by preparing journal vouchers as follows:

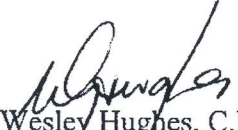
Expenditure Control Account	debit
Bank Account	credit

NB. The debit can also be Advances Control Account or any other relevant account.

- 5.2. The Journals at 5.1 must be cross referenced to the relevant RTGS payment voucher and must be certified and authorised by the relevant accountable officers.

Conclusion

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


Wesley Hughes, C.D.
Financial Secretary