



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 THE PUBLIC SERVICE**  
**30 NATIONAL HEROES CIRCLE**  
**P.O. BOX 512**  
**KINGSTON**  
**JAMAICA**

September 26, 2016

Circular No. 26  
File No. 107/022  
Public Expenditure Policy Coordination Division

Permanent Secretaries  
Principal Receivers of Revenues  
Heads of Departments  
Chairmen of Boards of Public Bodies (fully or partially funded from the Consolidated Fund)  
Chief Executive Officers of Executive Agencies  
Principal of Schools

**Re: Revised Procedures for Opening and Closing of Official Bank Accounts, Changing Signatories to Official Bank Accounts and Destruction of Unused Cheque leaves.**

The attention of Permanent Secretaries, Principal Receivers of Revenues (PRRs), Heads of Departments, Chairmen of Boards and Chief Executive Officers is invited to the following revised procedures issued in accordance with the provision of Regulation (30) (3) of The Financial Management Regulation 2011 of the Financial Administration and Audit Act.

**1. Requests for approval to open an official Bank Account**

1.1. Permanent Secretaries, Principal Receivers of Revenues (PRRs), Heads of Departments, Chairmen of Boards and Chief Executive Officers seeking approval to open an official bank account must submit the relevant letter to the Accountant General stating the following:

- (a) Justification/need for the bank account;
- (b) The estimated maximum balance to be held in the bank account;
- (c) The name and address of the bank at which the account is to be established;

- (d) The names and posts of the permanently appointed and contract officers recommended as signatories to the bank account;

*NB -The signatories **must not** include temporary officers, Board Chairmen, Board Members or any officer who by virtue of the nature of his/her function(s) compromises the system of internal control. For a contract officer to be a signatory to any bank account the duration of his/her contract must be more than 12 months following the date targeted for the opening of the account.*

*In exceptional circumstances, such as legislative procedures, where Board Chairmen or Board Members are required to be signatories to a bank account, special approval may be granted by the Financial Secretary.*

- (e) The signatories must be divided into two groups:-
- (i) Group (A) representing the Accounting Officer , Chief Executive Officer or Head of Entity, or Principal; and
  - (ii) Group (B) representing the Principal Finance Officer, Director of Finance, Financial Controller or Bursar;
- (f) The method of signing cheques, that is, cheque signing machine, computer, manual or other method approved by the Financial Secretary;
- (g) The type of account required - current, saving, term deposit, interest bearing current account etc.
- (h) Purpose of the account;
- (i) Source of funds – Consolidated Fund, Grants from external sources, Loans; and
- (j) Currency of proposed account (J\$, US\$, British Pound, Euro or other approved currency).

## **2. Project Bank Accounts**

2.1. In circumstances where the proposed account relates to a project, the following additional information and document are required:-

- Period for which the account is required;
- Name of the Project sponsor(s);
- Any special condition(s) based on the project agreement that will impact the operation of the proposed bank account; and

- Copy of contract with the funding agency/partner where applicable.

### **3. Replacement Bank Accounts**

3.1. In circumstances where the proposed account relates to the closure of an existing account the following additional information are required:-

- Reasons for replacing the account;
- Arrangements for the termination/closure of the existing bank account.

3.2. The procedure for closure of bank accounts as stated at Section 7 of this Circular must be adhered to.

### **4. Transfer of an account between Branches**

4.1. Where a MDA needs to transfer an official bank account from one branch of a bank to another branch of the same bank, a request must be submitted to the Accountant General for approval, stating the following:

- (a) The reason for changing the branch;
- (b) Change in signatories, if any; and
- (c) The proposed date for the transfer.

### **5. Bank Account Approval**

5.1. The Financial Secretary's letter of approval for the opening and operation of a bank account may contain specific instructions. These instructions must not be varied without the prior written permission of the Accountant General.

5.2. Immediately upon opening of the bank account, the MDA must advise the Accountant General of the account number and the date on which the account was established.

### **6. Change in Signatories**

6.1. Where an account is being operated and the need arises for a change to be made to the signatories, approval must be sought from the Accountant General. The request for the



approval must state the reason for the change and the name and position of the officers recommended to replace the existing signatories on the bank account.

## **7. Procedure for closing of a Bank Account**

7.1. The Accounting Officer or Head of Entity whenever he/she contemplates closing an official bank account must :

- (a) Seek and receive the prior written approval of the Accountant General for the closure of the bank account.
- (a) Ensure that the bank reconciliation of the account to be closed is brought up to date and a copy of the reconciliation submitted to the Accountant General. If the reconciliation is not up to date a detailed plan for dealing with the outstanding reconciliation must be submitted to the Accountant General.
- (b) Ensure that all outstanding cheques including stale dated cheques are examined by contacting the relevant payees, notifying them of the imminent closure of the bank account and advising them to:
  - encash cheques by a stipulated deadline, or
  - return cheque(s) for replacement where they are stale-dated or damaged.
- (c) State in the submission at (7.1) (a), the proposal for disposal of the uncommitted funds in the account. (NB. The general rule is that such funds must be surrendered to the Consolidated Fund unless there is a legal or contractual obligation for the funds to be transferred elsewhere, in which case details of this must be provided).

7.2. The Accountant General must be issued with a copy of the letter instructing the bank to close the account and to transfer the balance as authorized by the Accountant General in the approval letter for closure of the account.

## **8. Destruction of Unused Cheques**

8.1. Where unused cheque leaves are to be destroyed, Accounting Officers and Heads of Departments and Agencies must adhere to the procedures at Appendix A.

This circular supersedes the following MOF&P's Circulars:

Circular#	Reference #	Date	Subject
2	107/110	July 12, 2002	Procedures for the Destruction of Unused Cheques
9	107/110 vol XVII	October 3, 2002	Opening and Closing of Bank Accounts

Permanent Secretaries, Principal Receivers of Revenues, Heads of Departments, Chairmen of Boards and Chief Executive Officers, and Principals must ensure that this Circular is brought to the attention of all relevant officers.



Everton McFarlane  
Financial Secretary (Assigned)

**APPENDIX A – PROCEDURES FOR THE DESTRUCTION OF UNUSED CHEQUES**

Ministries, Departments and Agencies that need to destroy cheque leaves due to the closure of bank account or for any other reason must execute the following functions::

(1) Establish a Board of Survey comprising of the following members::

- (a) The Chief Internal Auditor or his nominee.
- (b) A senior member of the Accounts Department who must not be the custodian of the cheques.
- (c) A permanently appointed officer, not being a member of the Internal Audit or Accounts Department.

(2) The Board of Survey must:

- (a) Obtain the list of cheques' to be destroyed. The list must contain the cheque number sequences of each batch of cheques to be destroyed (i.e. The first cheque number and the ending cheque number of each batch). The number of cheques in each batch must also be stated.
- (b) The Cheque list must be checked against the physical stock of cheques to determine that the particulars and total number of the physical cheques agree with that on the list.
- (c) On completion of the check at (b), if everything is in order, the physical cheques to be destroyed must be removed from the cheque inventory with the relevant notation stating :-
  - Sequence and number of cheques removed;
  - signatures of the custodian and the person receiving the stock of cheques to be destroyed attesting to their removal for destruction

- (3) Following the completion of (2), the members of the Board must draw a line through each cheque leaf; tear the signature signing area or stamp "cancelled" across the face of each cheque. The physical cheques must, then be destroyed, in the presence of members of the Board of Survey, by burning, or shredding.
- (4) A certificate attesting to the fact that the cheques were destroyed and detailing the specific tasks performed must be prepared, signed by all members of the Board of Survey and submitted to the Accounting Officer or Head of Department or Agency.
- (5) Permanent Secretaries, Principal Receivers of Revenues, Heads of Departments, Chairmen of Boards, Chief Executive Officers and Principals must at the end of the process above submit a copy of the certificate at (4) above.