CIRCULAR SAVINGRAM

To:	All CEOs
From:	CEO for Finance and National Planning

Reference No.: 15/23   **Date:** 18th January 2017

Re: Treasury Checklist

In an effort to improve and encourage better public financial management the Ministry wishes to distribute the attached checklist to assist your respective Ministries with ensuring compliance to the Treasury Instructions 2010 and Public Financial Management Act 2002.

This is with the aim to reduce queries and improve timely turnaround from Treasury.

Should you require further assistance of information please do not hesitate to contact Makeleta Siliva Deputy CEO and Head of Treasury at msiliva@finance.gov.to or telephone 23-066

Yours sincerely,

Balwyn Fa'otusia
**CEO for Finance and National Planning**

CHECKLIST FOR MAJOR GOVERNMENT PAYMENT VOUCHERS

This *checklist* aims at providing guidance and assistance to the *Accounts Team* of all Ministry Department Agencies (MDAs) when processing Government Voucher Payments. This *checklist* provides the minimum requirements, required of the MDAs to submit to the Treasury Division (TD) of the Ministry in order to facilitate the processing and payments of Government vouchers.

It is anticipated that with this *checklist,* the process will be more efficient, effective and transparent. Timeliness of settling payments due to government suppliers and customers will be improved.

This *checklist* is a working document and will be updated as deemed necessary by the TD

A payment voucher must travel within Treasury in this *5-steps* process, before it is claimed as *Payment* by a supplier/ customer.

1) VMS Registration
⬇
2) Checking
⬇
3) Voting
⬇
4) Authorisation
⬇
5) Payment
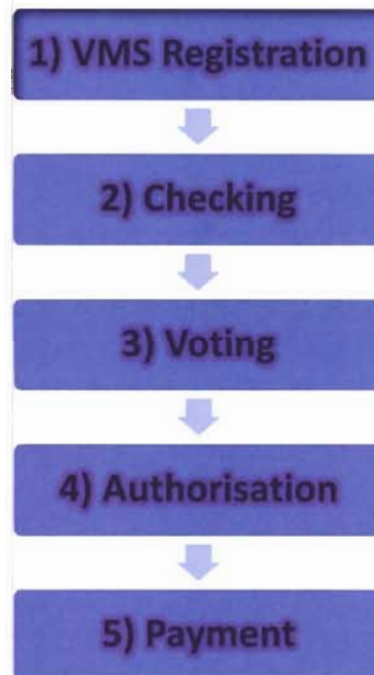
PART 1: General Requirements

A. All purchases by MDAs must be initiated with a *Purchase Order Request (POR)*, to request authorization and approval for purchase of goods& services.

B. A *Purchase Order (PO)* is raised once a purchase is approved

C. A *Payment Voucher (PV)* is then prepared to pay for the purchase from suppliers, providers and contractors.

(** if the PO is printed from the Sun system then the PV is also on the same document (page)-bottom part of the PO)

D. A *POR* **does not** apply to the following items;
- Salaries, wages, allowances and pensions
- Utilities (electricity, water, telephone, internet)
- Land& Building rentals
- Bank Charges
- Government Grants& Other Transfer payments, and
- Agreements involving periodic payments
- Distraint/ Deposit Leases and Tax Refund

E. A *manual* PV is prepared only when it comes to payment of underline payments such as *Distraint, Deposit Leases and Tax Refunds.*

F. A *POR* is kept by MDAs and only submitted to TD upon request and when necessary

G. The following *fields* must be <u>*completed*</u> by MDAs if it is an electronic *PO* printed from the Sun-system;
- Sun Journal Number
- Sun Invoice Number
- PO Number
- Posted Date
- Posted *By*

H. A *PV* must be submitted together with the following *supporting documents;*
- Original plus 1 copy of the PV

- Original Invoice (or Original contract)
- Original *PO*
- Copy of Business/Trading License, if it is a new supplier
- Both the *PO* and *PV* should have the same vote number (16-digit)

(** *date of the PO must* always *be prior to the date of the Invoice*)

I. For *new* government suppliers/ *customers*, a copy of the Business/Trading License must be submitted to TD (to create new supplier code), before a PO can be issued from the Sun-System.

J. If already committed (H), but has no Business/ Trading License , TD can only release *one-off* payment per supplier/customer.

K. Reminder for processing PO from the Sun system, use the following creditor codes where applicable;
- *CSUNCHQ* – All recurrent personal PV above $1000, all *Development* PV (with no creditor code), all *NEW* Company PV (no creditor code)
- *CSUN (01 -24)* – All recurrent PV below $1000

L. All *authorized signatories* must be updated to TD (Name, Post, Specimen Signatory)

M. All PV delivered to the TD must be *registered* in the MDAs delivery book

N. MDAs *must* not make any *manual* changes on the face of the POs

O. All queried PV from TD, can only be collected by authorised MDAs officers, and must signed off in the TD Registry for Query PVs.

PART 2: Detailed Checklist by Expense Type

A. Expense Vouchers (EV)

(EV refers to all other expenditure payment vouchers not specifically mentioned below)

A. PV has been *certified correct* by the accountable officer and *signed* by the relevant CEO (or delegated authorized signatory)

B. MDA's stamp has been *affixed* on both the PV and PO

C. The *description* details and *value* of goods& services in the PO must be *consistent and match* to those in the Invoice

D. *Correct expense* code must be used for the *nature* of the purchase

E. Same expense vote (d) appears in both the PV and PO

F. Supplier must have a *valid* business/trading license

G. *Supplier Invoice* must have full contact details

H. *Name* on the Invoice must be the *same* with the name of the PV

I. *Relevant Ministerial or CEO approval* must be provided, when required and when necessary

J. *Copy of Procurement approval*, if payment is above threshold of *$7,500*

K. *Copy of Contract,* if there is a signed contract.

B. Labour Wages Vouchers (LWV)

A. Must submit *LWV* with the following supporting documents;

    i. Time Sheet

    ii. Bank Deductions (with correct Bank accounts)

    iii. PAYE Journal Voucher (if any PAYE due)

    iv. Interim Forms (if payment is made payable to the pay-clerk)

    v. Signed Contract (if new recruit), which outlined specific information such as daily rate, duration of contract, vote for payment etc.

    vi. Evidence of Fund Confirmation (email, savingram etc.) from MFNP Budget Team.

B. All LWV must be properly Sign *certified correct* by the accountable officer and *authorized* by the CEO

C. All *Employee Names* in the LWV must be *consistent* to the Time Sheet and Bank Deductions

D. The sum of each employee payment must be *supported* by the *deductions*

E. All employees must have on *file* a *valid signed contract.*

C. Contract Employee Vouchers

A. *Contract* must be prior endorsed by PSC, as per PSC No.391 (dated 30th Sept, 2016)

B. Submit payment under LWV (format) for payment

C. *Source documents* required similar to LWV, as listed under Part 2:b)a. above.

D. Any *extra* supporting documents stipulated in the signed contract, must be submitted as well.

D. Travel Vouchers

A. Domestic Travel

    i. Evidence of CEO's approval for the travel (Internal Memo, Savingram etc.)

    ii. *Approval* must clearly state *purpose* and *duration* of travel

    iii. *Original full itinerary/Boat Travel Schedule* must be attached

    iv. Original *Invoice* from airline or shipping agency, must be submitted for payment of travel

    v. Travel Allowance (TA) must be paid according to policy

    vi. TA voucher must state *Basic Salary* of the employee and *applicable TA rate*

    vii. Travel *extensions* must be properly endorsed by the MDA's CEO (*via savingram*)

    viii. Travel *cancellations* must be submitted to CEO MFNP (*via savingram*) as soon as possible

    ix. TA can pay the whole duration of visiting in advance to outer Islands. The 5 days maximum for TA payment in advance is abolished.

    x. All must be *charged* to the expense code *"1201" (domestic travel)*, except under *special circumstances.*

B. Overseas Travel

    i. Approval for travel (*PSC Travel form, cabinet decision*), with specific details

    ii. *Funding Arrangement* must be clearly stated, evidence from host Organisation is a *requirement*

    iii. *Invitation letter* from host organization confirming attendance

    iv. *Original full itinerary* must be attached

    v. Original *Invoice* from airline must be submitted for payment of travel

    vi. Per-diem must be calculated using the approved applicable rate and based on the approved *itinerary*

    vii. Request for *Hotel top-up* must be made directly to the Minister (MFNP), via savingram, with all supporting documents (confirmed booking arrangement from hotel, actual hotel rate etc.)

    viii. A *savingram* to the CEO MFNP is required if any of the following situation incur;
1. Travel cancellation
2. Travel reimbursement
3. Travel extensions
4. Changes in itinerary

    ix. All must be *charged* to the expense code *"1202" (overseas travel)*, except under *special circumstances.*

    x. *Per-diems* voucher must be submitted to TD , *2 working days prior* to the travel date

    xi. *Per-diems* can only be claimed *1 day* prior to travel date, *except* under special circumstances as approved by CEO (MFNP)

C. Overseas Payment Vouchers (OPV)

    i. All *Overseas Payments (OP)* exchange rate must be requested to the *Accounts Section,* of the TD

    ii. If payment will exceed TOP10, 000 , a *spot rate* must be requested to TD via a Savingram, if amount exceeds TOP50, 000, *prior approval* from NRBT is required (by filling in the *EC Form)*

    iii. *Savingram* requesting for *spot rate* must have the following information and attached supporting documents;

1. Original Invoice/contract from overseas supplier
2. Original approved *EC Form (if required)*
3. *Tax Clearance Form* (from Ministry of Revenue& Customs)
4. Copy of *Procurement Approval*
5. Approved *vote* for the payment
6. If payment is for *purchase of goods,* copy of processed *overseas requisition form*

PART 3:	***Additional Required information for specific payments***

This section consists of additional checklist information required for specific payments, depending on the nature of the expense.

A. Catering for Training, Workshop or Dinner

    a. Savingram stating;

        i. Approval and specifying reason for catering
        ii. Approved Budget
        iii. Approved Budget/Limit for Liquor

    b. Attendance list, MDA's stamped and signed

    c. Payment is only made when catering is completed

B. Ration & Patient Diet

    a. Justification for the purchase

    b. State period for the purchase (duration)

C. <u>Fuel</u>

    a. Updated Log Book, to be submitted when required

    b. Purchase of Fuel should be aligned to approved ceilings

    c. Weekly fuel purchase ceilings;
        i. Ministers (60L)
        ii. CEOs (50L)
        iii. MDAs (40L)

    d. Any purchase above the above ceilings must be duly justified via a savingram

    e. Vehicles for the following MDAs maybe exempted from ceilings;
        iv. MEIDECC – Meteorology Division
        v. MRC – Customs Division (Airport Transport)
        vi. MAFF - Quarantine Division (Airport Transport)
        vii. Fisheries - Airport Transport

D. Settling Allowances

    a. Written approval from MDA's CEO

    b. Original Transfer Certificate

E. Reimbursements

    a. Original Receipts to justify claim

    b. Approval (savingram) of CEO, also clearly justifying reimbursements

F. Grant Payments

    a. Approval and Budget confirmation

    b. Signed Grant Agreement

G. Prizes and Awards

    a. Savingram stating the following;

        i. Occasion /purpose of the prizes & awards
        ii. List and order of all the prizes
        iii. List of the winners (full names)

    b. Claimant must present *Prize Certificate* , when claiming prizes

H. Assets (computers/ vehicles etc.)

    a. All purchase of assets must be charged to the respective *asset item code* (20**)

    b. Procurement approval for purchase above thresholds

    c. MDAs must confirm *asset* that have been delivered before full settlement

    d. *Advance payment* should not be more than 20%

    e. All *assets* purchased must be registered in the MDAs' *Asset Register*

I. Hire of Vehicles

    a. Savingram from MDAs CEO stating the following;

        i. Justification for *hiring*
        ii. Hiring rate and duration of hire

    b. Confirmed budget allocation

J. Maintenance of Government Vehicle *(if involved in an accident)*

    a. Police & PSC Record on the accident

b. CEO's approval of arrangement for payment

c. If the Government driver is the person responsible for the accident, the officer concerned should pay for the cost of maintenance

d. MDAs is **NOT** allowed to pay and then reimbursed later by the Government official responsible for the accident.

ENDS.