

Treasury Operation Circular No: 03/05

To: All Secretaries to Ministries,
Heads of Departments and
District Secretaries.

(For the kind attention of the Chief
Accountant/Director Finance)

**Closing of Cash Books for 2005 , Settlement of Imprest Accounts and Approved of
imprest limits and Annual Cash Flow statements for the year 2006**

You are kindly advised to follow the instructions given below when closing of cash books for year 2005 imprest accounts and determination imprest limits and cash flow for the year 2006.

1. Closing of the Cash Book on 31st December 2005
 - 1.1 The Cash Book for the year 2005 should be closed at the end of 31st December 2005 as follows.

Secretaries of the Ministries, Heads of Departments and District Secretaries, should delegate authority to a responsible staff officer by name to close the Cash Books in their offices and sub offices, and a copy of the delegation of authority should be furnished to the Auditor-General. This officer should draw a red-line below the last entry in each cash book to prevent interpolation of any entries after 31st December 2005 and place his/her signature, write his/her name and designation and the date and time immediately below the red line.
 - 1.2 A cheque written in favour of the "Deputy Secretary to the Treasury" for the balance in the Cash book as at 31.12.2005 along with the form 01 should be forwarded to the Department of Treasury Operations on or before 06th January 2006.
 - 1.3 Standing authorization limits for January 2006 under the "payment facility account" will be intimated by the department of Treasury Operations to all the Ministries and the Departments in the Greater Colombo Area before the end of year 2005. As such the necessity for retention of any portion of 2005 imprest by such Departments and Ministries does not arise. Departments and District Secretariats which do not fall under the payment facility system, will get imprest will from the Department of Treasury Operations within the first working day of January 2006.
 - 1.4 No imprest other than the initial advance mentioned in 1.3 will be released by the Treasury to Ministries, Departments or District Secretariats which do not comply with the requirements stipulated in paragraph 1.2 above. Therefore, even if there is no cash book balance at the end of year, it should be intimated to the Department of Treasury Operations on or before 06.01.2006.

1.5 Pre-arrangements required to facilitate settlement of such imprest issued to sub offices and officers should be made.

1.6 Settlement of imprest - Reimbursable Foreign Aid 7003/0/0/...../05.

1.61 A cheque for the cash book balance as at 31.12.2005 written in the name of "Deputy Secretary to the Treasury" along with the form No. 01 and 02 should be sent through the line ministry before 10th January 2006 in settlement of the imprest obtained under Reimbursable Foreign Aid imprest code 7003/0/0/..../05

Director General of Treasury Operations
Debt Servicing and Accounting,
Department of Treasury Operations,
Colombo 01.

1.6.2 In terms of the State Accounts Circular No: 1/2002 dated 25.02.2002, the Projects Operating through bank accounts opened at the Bank of Ceylon, Taprobane Branch should also settle their imprests through their line ministries. They should complete the Specimen form No: 02 in duplicate and send along with the cheque to this department after handing over a copy to their line ministry.

1.6.3 Other receipts should not be included in this reconciliation statement since the other receipts other than the Reimbursable Foreign Aid cannot be accounted under the imprest code 7003.

1.7 It should be noted that settlement of arrears of imprest balances of previous years where applicable and submitting relevant reports to the Department of Treasury Operations and Department of State Accounts before prescribed dates, will be a precondition for release of cash imprest by the Treasury. Any lapses in this regard will result in stoppage of imprest temporarily.

2. Determination of Annual Imprest Limits and submission of Annual Cash Flow Statement for the year 2006

2.1 You are required to prepare and submit the application for Imprest Limit and the statement of Annual Cash Flow, on the basis of the estimate approved by the Parliament for the year 2006, on or before 13.01.2006.

2.2 Annual Imprest Limit for Ministries/Departments for the year 2006 is being worked out and the following deductions would be made in fixing the imprest limit for Recurrent Expenditure. (Please see (b) in Annexure 01)

- (i) 6.5% on total provision of Salaries & Wages. For W.& O.P. recoveries.
- (ii) Minimum Credit Limit fixed for the Public Officers Advance Account.
- (iii) Interest to be charged on Public Officers Advances.

The following information is also required to this department to fix the total imprest limit applicable to your Ministry or Department. When Completing the Specimen form 03 the method of calculating the items from (a) to (i) should be in accordance with instructions given in the annexure 01.

(a) Monthly revenue expected to be collected during the year. (Please state the actual revenue collected on monthly basis from January 2005 to 31st October 2005) (See the note (e) in annexure 01)

- (b) If your institution expects to release sub-allocations to other Ministries/Departments out of the financial provisions available to effect payments on behalf of you, details on such allocations including the amount and the name of the institution to which such allocation are to be given. (use form 5)
- (c) If any other payment to be effected through cross entries in addition to items mentioned in 2 above, details of such entries to be effected during the year.
- (d) Monthly Cash requirements for making payments on account of the balance available in the General Deposit Account in view of funds received from third parties during the previous years.
- (e) If any Ministry has made arrangements to make fund releases to any Statutory Board coming under its purview by making use of the imprest obtained from the Treasury, a details of such releases, giving monthly requirements.
- (f) Any assumptions and calculations used for above estimates should also submitted in a separate sheet.

If you require any further clarification you may contact the following officers:

Mrs. D.P.R. Senadhipathy Additional Director General Telephone 2484738

Mr. K.K.V. Jayaratne Director (Debt Servicing & Accounting) Telephone 2484748

Officer in charge of the Sectors:-

<u>Name of the Officer</u>	<u>Sector</u>	<u>Telephone</u>
Mr. H.C.D.L. Silva	Defence Sector (Part of Public Administration)	2484739
Miss. J.C. Weligamage	Infrastructure Development Sector Enterprises Development Sector	2484743
Mrs. S. Amaradasa	Public Administration Sector	2484744
Mr. A.N. Hapugala	Human Resources Development Sector Art Culture and Religion Sector	2484740
Mr. R.A.M. Luxman	Rural Development & Poverty Reduction Sector Agriculture Sector	2484742
Mrs.W.A.C.S.Priyadharshani	Reimbursable Foreign Aid	2484751

Lalith R. de Silva
Director General
Department of Treasury Operations

Copy to :

1. Auditor General
2. Director General of State Accounts
3. Project Directors

My No :-

Date :-

Director General,
Department of Treasury Operations,
General Treasury,
Colombo 01.

**Closing of Cash Book as at 31.12.2005 and
Remittance of Cash Balance to the Treasury**

Ministry/Department/District Secretariatimprest Account
No: (including the year)

I hereby certify that the Cash Book Balance as at 31st December 2005 of the
Ministry/Department/District Secretariat is Rs. for which
a cheque bearing No. dated is enclosed
herewith. I further certify that there is no Cash Balance to remit to the Treasury, other
than the amount settled by the above cheque. After the remittance of the above amount
the imprest balance tallies/does not tally due to following reasons.

	<u>Reason</u>	<u>Amount</u>
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....

	Total	=====

Director Finance/Chief Accountant/Accountant
For the Secretary/Ministry/Head of the Department

Date :-

Form 02

Reconciliation Statement of Imprest as at 31.12.2005

1. Ministry /Department :-
2. Imprest Account No :-
3. Project :-

Month	Imprest Received			Expenditure			Balance		
	RFA (1)	CF (2)	Total (3)	RFA (4)	CF (5)	Total (6)	RFA (1-4)	CF (2-5)	Total (3-6)
January									
February									
March									
April									
May									
June									
July									
August									
September									
October									
November									
December									
Total			XXX			XXX			

Total Imprest received during the year(3) :- XXX

Total Expenditure of the year (6) :- XXX

Balance as at 31.12.2005 :-

Unsettled advances (if any)**Date of Advance****Institution****Reason****Amount Rs.**

FORM : 03

**APPLICATION FOR ANNUAL IMPREST LIMITS FOR THE YEAR - 2006
"A" CLASS DEPARTMENTS**

MINISTRY /DEPT.
(Rs. 000)

Group	Description of budgetary Provision					Total Provision	Deductions			Total Deductions	Allocation from Other Depts.	Imprest Limit	Rev/Cash Collection	Amount Req. From Treasury
							X - Entry	Allo. to Other Depts. (a)	Allo. to D/Sec (a)					
(1)						(1)	(2)	(3)	(4)	(5)=2+3+4	(6)	(7)=1+5+6	(8)	(9)= 7+8
(1)	Prog: Services (Recurrent Exp.) (c), (d)													
		Prog.	Salaries		Others									
	1		XX	XXX		XX	XX	XX	XX	XX	..	XX	..	XX
	2		XX	XXX		XX	XX	XX	XX	XX	..	XX	..	XX
	3		XX	XXX		XX	XX	XX	XX	XX	..	XX	..	XX
	Sub Total		XXX	XXX (c), (d)		XXX	XXX(b)	XXX	XXX	XXX	XXX	..	XXX	
(2)	Prog: Services (Capital Exp.) (c), (d)													
		Prog.	Domestic Fund	FA		RFA								
				DF	FA	DF	RFA							
	1		XX	XX	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
	2		XX	XX	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
3		XX	XX	XX	XX	XX	XX	XX	XX	..	XX	XX	XX	
	Sub Total		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX(e)	XXX(f)	
(3)	Deposit A/C (h)					XXX	..	..	..	..	..	XXX	..	XXX
(4)	Adv. TO.P.OO A/C No (DR Limit)					XXX	..	..	..	..	..	XXX	..	XXX
(5)	Other Advance Accounts													
	1.	.....				XX	XX	XX	XX	XX	..	XX	XX	XX
	2.	.....				XX	XX	XX	XX	XX	..	XX	XX	XX
	3.	.....				XX	XX	XX	XX	XX	..	XX	XX	XX
	Sub Total					XXX	XXX	XXX	XXX	XXX	XXX	XXX(g)	XXX	
	General Total					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX(i)	XXXX	XXXX	

***Please Read Notes ***

Certified as Correct

Signature of Chief Account/Director Finance :

Name of Chief Accountant :

Tele: No. :

FORM :
04Director General,
Department of Treasury Operations.**Monthly Cash Flow Statement as per Approved Plans for the Year 2006**

Expenditure Head No : ...

Ministry /Department :

Rs.(000)

Expenditure Items with Expenditure Codes		Cash Requirements for the approved expenditure Plans												Total
		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
I	Salaries & Wages with other allowances (1001 and 1003)													*
II	Over time & Holiday Pay (1002)													*
III	All the Other Recurrent Expenditure													*
	Recurrent Total													*
IV	Reimbursable Foreign Aids													*
V	All the other Capital Expenditure													*
VI	Public Officers Advance Account													*
VII	Deposit A/C													*
VIII	Others													*
	Total													*

* The amount has been presented which should be agreed the amount presented under format Form 1 column 9

I certify that the above information is true and correct.

.....
 ..
 Chief Accountant / Director Finance
 Department

.....
 Secretary to the Ministry/Head of

Date :-

FORM : 03

APPLICATION FOR ANNUAL IMPREST LIMITS FOR THE YEAR - 2006
"A" CLASS DEPARTMENTS

MINISTRY /DEPT.
 (Rs. 000)

Group	Description of budgetary Provision					Total Provision	Deductions			Total Deductions	Allocation from Other Depts.	Imprest Limit	Rev/Cash Collection	Amount Req. From Treasury
							X - Entry	Allo. to Other Depts. (a)	Allo. to D/Sec (a)					
						(1)	(2)	(3)	(4)	(5)=2+3+4	(6)	(7)=1+5+6	(8)	(9)= 7+8
(1)	Prog. Services (Recurrent Exp.) (c), (d)													
	Prog.	Salaries		Others										
	1	XX	XX	XXX		XX	XX	XX	XX	XX	..	XX	..	XX
	2	XX		XXX		XX	XX	XX	XX	XX	..	XX	..	XX
	3	XX		XXX		XX	XX	XX	XX	XX	..	XX	..	XX
	Sub Total	XXX		XXX (c), (d)		XXX	XXX(b)	XXX	XXX	XXX	XXX	XXX	..	XXX
(2)	Prog. Services (Capital Exp.) (c), (d)													
	Prog.	Demestic Fund	FA		RFA									
			DF	FA	DF	RFA								
	1	XX	XX	XX	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
	2	XX	XX	XX	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
	3	XX	XX	XX	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
	Sub Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX(e)	XXX(f)
(3)	Deposit A/C (h)					XXX	..	..	..	..	..	XXX	..	XXX
(4)	Adv. TO.P.OO A/C No (DR Limit)					XXX	..	..	..	..	..	XXX	..	XXX
(5)	Other Advance Accounts													
	1.	.....				XX	XX	XX	XX	XX	..	XX	XX	XX

2.	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
3.	XX	XX	XX	XX	XX	XX	..	XX	XX	XX
Sub Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX(g)	XXX
General Total	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX(i)	XXXX	XXXX	XXXX

***Please Read Notes ***

Certified as Correct

Signature of Chief Account/Director Finance :

Name of Chief Accountant :

Tele: No. :

Allocation to Other Ministries/ Departments - 2006

Rs.'(000)

Head No.	Ministry/ Department	Capital	Recurrent	Total

Allocation to District Secretariats - 2006

Rs.'(000)

Head No.	D.S.S.	Capital	Recurrent			Total
			Personal Emoluments	Other Recurrent	Total	
817	Colombo					
818	Gampaha					
819	Kalutara					
821	Kandy					
822	Matale					
823	Nuwara Eliya					
824	Galle					
825	Matara					
826	Hambantota					
827	Jaffna					
828	Mannar					
829	Vavuniya					
831	Mulativu					
832	Kilinochchi					
833	Batticaloa					
834	Ampara					
835	Trincomalee					
836	Kurunegala					
837	Puttalam					
838	Anuradhapura					
839	Polonnaruwa					
841	Badulla					
842	Monaragala					
843	Ratnapura					
844	Kegalle					
	Total					

Instructions for calculation of Imprest Limit 2006

- (a) Details should be provided in respect of allocations made to Ministries/Departments and District Secretariats. Form 05 should be used to provide details in this regard.
- (b) Breakdown of Cross Entries under recurrent expenditure should be shown as follows:

Deduction of W & O.P. Contribution	xxx
P.oo Adv. A/C. Cr.Limit	xxx
Others (including interest on P.O.O.Ad.)	xxx

Total	===

- (c) Provision for contributions to corporations appearing under Head of Expenditure should not be included under programme services.
- (d) Provision in respect of F.A. (Loan), F.A. (Grant) and Counterpart Fund should be excluded when inserting figures under programme Services.
- (e) Amount expected as revenue should be mentioned under Group 02 as indicated in column (8) .
- (f) The total imprest required from the Treasury under D.F. and R.F.A. (Loan/Grant) should be separately shown as follows

D.F.	xxx
R.F.A. (Loan/Grant)	xxx

- (g) Amount to be included in Column 8 under "Other Advance Accounts" should be on the following basis.

Total Credit Limit	xxx
Less- Receipts to be brought to A/C.	
By Cross Entry	xxx
Estimated Cash Receipts	xxx

- (h) Please state only the amount transferred to Deposit A/C of year 2005 allocation with the approval of Director General of Treasury Operations.
- (i) Total allocations received from other Ministries and Departments should be included here and also details report should be presented.