

TOD/AO/06

22<sup>nd</sup> November,  
2006

**Treasury Operation Circular No: 06/2006**

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 2006 , Settlement of Imprest Accounts and Approved of  
imprest limits and Annual Cash Flow statements for the year 2007**

You are kindly advised to follow the instructions given below when closing of cash books for year 2006 imprest accounts and determination imprest limits and cash flow for the year 2007.

**1. Closing of the Cash Book on 31<sup>st</sup> December 2006**

1.1 The Cash Book for the year 2006 should be closed at the end of 31<sup>st</sup> December 2006 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 31<sup>st</sup> December 2006 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 31.12.2006 along with the form 01 should be forwarded to the Department of Treasury Operations on or before 05<sup>th</sup> January 2007.

1.3 Standing authorization limits for January 2007 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 2006. As such the necessity for retention of any portion of 2006 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 2007.

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 05.01.2007.

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/...../06.**

1.61 A cheque for the cash book balance as at 31.12.2006 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 10<sup>th</sup> January 2007 in settlement of the imprest obtained under Reimbursable Foreign Aid imprest code 7003/0/0/...../06

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 2007.**

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 2007, on or before 10.01.2007.

2.2 Annual Imprest Limit for Ministries/Departments for the year 2007 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 2006 to 31<sup>st</sup> October 2006) (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:-**

<b><u>Name of the Officer</u></b>	<b><u>Sector</u></b>	<b><u>Telephone</u></b>
Mr. T.N. Ossen	National Security, Administration of Justices and Law Enforcement	2484739
Miss. J.C. Weligamage	Infrastructure Development, Regional Development and Social Protection	2484743
Mrs. S. Amaradasa	Governance	2484744
Mr. A.N. Hapugala	Human Resources Development, Culture, Science & Technology	2484740
Mr. R.A.M. Luxman	Natural Resources Management	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