

Dowlad-Goboleedka Jubbaland
ee Soomaaliya

Wasaaradda Maaliyadda



Jubbaland State of Somalia

Ministry of Finance

Public Financial Management Act 2017

Applicable from

1 Jan 2018

Instruction D – Forms to be Used & Accompanying Instructions to be Used for Budget Execution



1. Authority, Purpose & Scope

1.1 This Instruction is issued pursuant to Section 22, Paragraph 1 of the Public Financial Management Act, 2017 and Paragraph 1.4 of Regulation 4, Establishing Budget Execution Procedures.

1.2 The purpose of this Instruction is to provide further detail on the budget execution procedures.

1.3 This Instruction applies to all agencies, entities and institutions of the JSS of Somalia as defined in Section 1, Paragraph 3 of the Public Financial Management Act, 2017 that are funded from the consolidated fund.

2. Form 1: Appropriation Re-allocation Detailed Instructions

2.1 Appropriation Overview

2.1.1 The *Budget Appropriation* process determines the legal spending limits approved by Parliament¹. The approved appropriation, as legalized through an Appropriation Act approved by Parliament is recorded in the state's FMIS for budget execution and control purposes.

2.1.2 The appropriation will be controlled by Funding Source/Ministry/Project/GFS Economic Classification Level 6 level in the BCS.

2.1.3 Expenditure control and recording is exercised at the economic code level as described in the *Commitment and Payment Order* instructions, thus as the same level at which the funds are allocated.

2.2 Appropriation Re-allocation

2.2.1 During the execution of the budget, the spending entity may require a reallocation or the approved appropriation due to original plans not being accurate or other circumstances. Note, this is not an overall increase of the budget, but merely an offsetting entry, where the receiving budget codes are equally offset by losing budget codes within the budget entity. The requesting budget entity will complete Form 1 to request the Budget department to reallocate the budget appropriation. See Appendix 1 to this Instruction for a copy of the form.

2.2.2 Each section of the form is discussed below and the necessary instruction for completion of the form provided. Headings contained hereunder conform to the headings in the *Appropriation Re-allocation* form attached.

Requesting Ministry/Agency

2.2.2.1 The name of the Ministry/Agency to be written here

Reallocation Request No. (Manual)

¹ See Regulation #3 - Establishing Yearly Budgeting Procedures and Contents and Documents of Proposed Budget



2.2.2.2 If the Ministry/Agency maintain their own register of documents, the document number is recorded here.

Manual Bisan BRV #

2.2.2.3 Recorded here is the Budget Reallocation Voucher # (BRV #) that is issued by the Bisan FMIS. This number is completed by Budget when they process the reallocation.

Identification of BCS & Reallocation Amounts

2.2.2.4 Ministry or Agency finance unit staff will complete the *Identification of BCS & Reallocation Amounts* section utilizing the appropriate budget codes as developed by Ministry of Finance and utilized by the Bisan FMIS control and execute the budget. The appropriation reallocation must be self-balancing, in that the “losing accounts” total must balance to the “receiving accounts” total. A reallocation can never be unbalanced and there can never be a reallocation across different ministries.

2.2.2.5 Once the *Appropriation Reallocation* has been completed by the Ministry a copy will be provided to MoF Budget for recording in the Bisan FMIS. Budget will return a budget reallocation document produced directly from the Bisan FMIS to confirm the *reallocation* has been recorded in the FMIS.

Justification for Appropriation Reallocation

2.2.2.6 The detailed reasons for why an appropriation reallocation is required must be elaborated in this section.

Appropriation Reallocation Authorization by Requesting Budget Entity

2.2.2.7 To be completed by the requesting budget entity. The budget is the budget entity's and therefore they must approval all reallocations.

Budget Approval

2.2.2.8 To be completed once Budget effects the reallocation. Once completed, Budget must notify the respective budget entity.



3. Form 1A: Funds Re-allocation Detailed Instructions

3.1 Funds Allocation Overview

3.1.1 The *Funds Allocation* process allows Treasury to release funds to Ministry or Agency heads. These releases will be made in accordance with funds allocations determined by Ministry of Finance based on cash available and other factors². These fund releases (allocations) will be undertaken within the state's FMIS.

3.1.2 Funds will be released at the Funding Source/Ministry/Project/GFS Economic Classification Level 6 level in the BCS, and would align with the level at which budget appropriations are approved.

3.1.3 Expenditure control and recording is exercised at the economic code level as described in the *Commitment and Payment Order* instructions, thus at the same level at which the funds are allocated.

3.2 Funds Re-allocation

3.2.1 During the execution of the budget, the spending entity may require a funds allocation reallocation due to original spending plans not being accurate. Note, this is not an overall increase of the budget allocation, but merely an offsetting entry, where the receiving budget codes are equally offset by losing budget codes within the budget entity. The requesting budget entity will complete Form 1 to request the Budget department to reallocate the budget allocation. See Appendix 1 to this Instruction for a copy of the form.

3.2.2 Each section of the form is discussed below and the necessary instruction for completion of the form provided. Headings contained hereunder conform to the headings in the *Funds Re-allocation* form attached.

Requesting Ministry/Agency

3.2.2.1 The name of the Ministry/Agency to be written here

Reallocation Request No. (Manual)

3.2.2.2 If the Ministry/Agency maintain their own register of documents, the document number is recorded here.

Manual Bisan FRV #

3.2.2.3 Recorded here is the Funds Reallocation Voucher # (FRV #) that is issued by the Bisan FMIS. This number is completed by Budget when they process the reallocation.

Identification of BCS & Reallocation Amounts

3.2.2.4 Ministry or Agency finance unit staff will complete the *Identification of BCS & Reallocation Amounts* section utilizing the appropriate budget codes as developed by the

² See Regulation #3 - Establishing Yearly Budgeting Procedures and Contents and Documents of Proposed Budget and Regulation #5 - Establishing Procedures on Managing Cash Resources & Bank Accounts for discussion on how entity yearly spending & revenue plans, plus managing cash resources directly impact initial budget allocations and reallocations



Ministry of Finance and utilized by the Bisan FMIS control and execute the budget. The funds reallocation must be must be self-balancing, in that the “losing accounts” total must balance to the “receiving accounts” total. A reallocation can never be unbalanced.

3.2.2.5 Once the *Funds Reallocation* has been completed by the Ministry a copy will be provided to MoF Budget for recording in the Bisan FMIS. Budget will return a Funds Reallocation document produced directly from the Bisan FMIS to confirm the *reallocation* has been recorded in the FMIS.

Justification for Funds Reallocation

3.2.2.6 The detailed reasons for why a funds reallocation is required must be elaborated in this section.

Funds Reallocation Authorization by Requesting Budget Entity

3.2.2.7 To be completed by the requesting budget entity. The budget is the budget entity's and therefore they must approval all reallocations.

Budget Approval

3.2.2.8 To be completed once Budget effects the reallocation. Once completed, Treasury must notify the respective budget entity.



4. Form 2: Commitment and Payment Order (CPO) Detailed Instructions

4.1 Overview

4.1.1 A written authorization must always be obtained when exercising the authority to spend public money. The *Commitment and Payment Order* (CPO) is the vehicle for initiating the spending process. The following is a detailed instruction that assists the person or persons who are a part of the commitment or payment process for the purchase of goods or services. The form, *Commitment and Payment Order*, provides a framework for a systematic approach to optimizing the financial and accounting controls related to a budget entity's purchase of goods or services. It also enhances the audit process by collecting all the necessary authorizations and approvals along with the necessary documentation that supports the purchase and receipt of a good or service.

4.1.2 Each section and line of the form will be discussed and the necessary instruction for completing the form or reference to other materials will be made as the explanations are provided. This discussion is provided in the sequence that a normal purchase or spending would be conducted. If more than one copy of a document is necessary, or if there is a required routing for a document, the detail is provided in this document for correct handling of this particular facet of the duties. Headings contained hereunder will conform to the headings in the *Commitment and Payment Order* on Form 2. See Appendix 1 to this Instruction for a copy of the form.

Identification of Budget Data

4.1.2.1 This first section of the CPO form is to be completed by the spending Ministry at the BCS level where the spending is proposed. The BCS code structure is explained in *Regulation #2, Establishing the Budget Classification Structure for Budget Preparation & Execution*. **Any additions or modifications to the coding structure are the sole authority of the Treasury – requests for additions can be submitted by Ministries using the Chart of Accounts Maintenance Form.**

4.1.2.2 **Commitment Number: Manual.** Each Ministry should issue a sequential series of numbers to control the issuance of CPOs. A log (perhaps computerized listing) should be maintained by the issuing officer (usually the Financial Officer within the Ministry) to control the flow of CPOs that are in process (requesting spending) and those CPOs which have been completed (completed spending). The budget year should serve as the suffix to the *Commitment Number*.

4.1.2.3 The *Bisan CV* number will be provided by Treasury department when they enter the CPO into Bisan FMIS.

4.1.2.4 **Commitment Amount:** Every effort should be made to determine as accurate an estimated cost as possible since this amount is the value that will be reserved from the spending unit's allocated funds and will reduce the amount of uncommitted funds available for future spending.

Requirement and Justification

4.1.2.5 This section contains a brief description of the reason and justification for the proposed spending.



Commitment Authorization

4.1.2.6 *Ministry Requesting Officer:* The officer raising the request signs to confirm the Commitment is required to meet the needs of the Ministry.

4.1.2.7 *Ministry Authorizing Officer:* An *Authorizing Officer* (usually the Ministry head), before authorizing a proposal to spend public moneys, must have satisfied him/herself that:

- (a) the proposal is in accordance with the policies of the FMS; and
- (b) the proposed expenditure will make efficient and effective use of the public moneys available from the FMS Consolidated Budget for programs implementing those policies.
- (c) the Appropriation Account in the FMS Consolidated Budget has been assigned, to which the amount is chargeable

In addition:

The *Authorizing Officer* (AO) must be fully knowledgeable of the appropriation levels that have been approved for the Ministry. The AO must determine whether the proposed CPO exceeds the available Funds Allocation balance that remains.

If it is clear that the *Funds Allocation* limit be exceeded if the proposed Commitment proceeded, the Ministry must not process the CPO and must not commit to purchase the goods or services, until an additional allocation of funds is received.

4.1.2.8 **Recording in Bisan FMIS:** Once signed authority for the commitment has been obtained, the Ministry will forward the CPO to the MoF Treasury for entry into the Bisan FMIS. This process will record the commitment and reserve the funds in the FMS's formal accounting records. Treasury will print the Commitment Voucher, attach it to the CPO and enter the Bisan CV number in the Identification of Budget Data section of the form.

4.1.2.9 Once the CV confirmation is received by the requesting budget entity, it is free to begin the procurement process in accordance with the FMS' procurement policies and procedures – see *Regulation #8, Establishing Public Procurement Policy & Procedures*. Because all procurement is centralized, except for that allowed in the policy to be performed directly by the budget entity, the budget entity will forward a copy of the CPO to the centralized Procurement Department. At the end of the procurement process, a Purchase Order, signed by the designated Approving Officer, must be issued to document every purchase of goods or services. Complex purchasing arrangements may require a formal contract to document the agreement between the Government and the supplier. See **Form 4: Purchase Order/Receiving Report Detailed Instructions** for further details of Purchase Order completion.

Payment Approval

4.1.2.10 All transactional documents related to a purchase of goods or services will be presented to the *Certifying Officer* for his conformance of data on the documentation. The *Certifying Officer* will complete the amount to be paid in the CPO and will determine that the final payment amount does not exceed the CV committed amounts on the CPO. There will be instances where the Payment amount exceeds the committed amount, in which case additional commitment must be processed before the payment can be approved. Once the CV has been updated, the CPO package is sent back to the *Certifying Officer* for approval.



4.1.2.11 He will also circle the *attachments*, and *type of payment* on the form where appropriate.

4.1.2.13 The *Certifying Officer's* signature on the CPO signifies his approval of the transaction for payment and that he has:

- a. ensured that the claim:
 - i. is correct as to amount;
 - ii. is for expenditure that has been previously approved;
 - iii. is made out in the name of a person or organization, per PO or Contract, to whom payment will be made;
 - iv. has not been previously paid;
- b. confirmed the correct Appropriation item in the FMS Consolidated Budget to which the amount is chargeable; and
- c. is satisfied that all requirements under an agreement or contract have been satisfied by the claimant before payment is rendered to the claimant.

4.1.2.14 The completed CPO will be presented to the MoF Treasury who will process the approved payment in the Bisan FMIS. A cheque will be printed as an output from the FMIS. The documents are signed by the appropriate treasury officer(s) and remittance is made to complete the government's payment obligation.

Payment Information

4.1.2.15 This section contains the necessary information to either electronically print a cheque to a beneficiary, or to print a payment advice which orders the Government's bank to transfer funds from the FMS Treasury Single Account (TSA) to that of the beneficiary. If a cheque or cash is to be the means of payment, only the *Beneficiary* and the *Amount and Currency* need be completed. In addition, the numerical amount of the payment request must be written out in script. If it will be necessary to transfer funds from the Government's bank account to the beneficiary bank account, all of the requested information in this Section must be completed in order to assure the accurate transfer of funds.



5. Form 3: Payment Order for Salaries and Allowances Detailed Instructions

5.1 Overview

5.1.1 The *Payment Order for Salaries and Allowances* (POSA) provides the minimum amount of information needed to support the payment of salaries and wages. The supporting detail for Form 3 is contained in either Form 3A or Form 3B, Salary or Allowance detail, respectively [this is to be used for non-civil services salaries only, i.e., security forces, as the details of information collected on Form 3A will be obtained from the Bisan FMIS, upon completion of the Employee Form per Ministry].

5.1.2 The *Payment Order for Salaries and Allowances* process is very similar to the requirements for *Commitment and Payment Order (CPO)*, except that the POSA does not have a commitment section. Salaries and most salary-related allowances are recurring expenditures and are committed at the beginning of the budget execution period. This reflects that the commitment to paying the employee for the immediate future is made at the time of hiring this employee.

5.1.3 Each section and line of the form will be discussed and the necessary instruction for completing the form or reference to other materials will be made as the explanations are provided. This discussion is provided in the sequence of completing the form. If more than one copy of a document is necessary, or if there is a required routing for a document, the detail is provided in this document for correct handing of this particular facet of the duties. Headings contained hereunder will conform to the headings in the *Payment Order for Salaries and Allowances* (POSA) on Form 3. See Appendix 1 to this Instruction for a copy of the form.

Identification of Budget Data

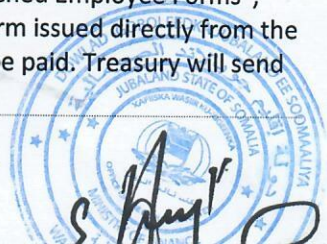
5.1.3.1 The *Identification of Budget Data* information should be completed in a manner consistent with the instruction provided for the *Commitment and Payment Order* Form 2. Either Form 3A or 3B should support the summary information on the POSA. The *Payroll Payment or Allowance Amount* on POSA should be the total carried forward from either Form 3A or 3B. **NOTE:** Form 3A or 3B is ONLY used for non-civil servant salaries, such as security forces (police, army, etc.). Civil servant salary payments will be supported by the Employee Form printed directly from the Bisan FMIS.

Payment Approval

5.1.3.2 The Ministry Administrative or Human Resources officer signs the POSA as the person confirming the accuracy and completeness of the Payroll or Allowance supporting documentation in Form 3A or 3B. The *Approving Officer* should circle the type of detailed documents that support the POSA and approves the payment of salaries or allowances by signing POSA. He must also complete the *Payment Information*.

Payment Information

5.1.3.3 This section contains the necessary information to either electronically print a check to a beneficiary or to print a payment advice which orders the Government's bank to transfer funds from the FMS TSA to that of the beneficiaries or Paying Officer. When civil servant salaries are paid, the cheque will be made payable to FMS's bank and **Beneficiary Bank Account No.** field will remain blank. In its place, the box will be checked to the line indicating, "See Attached Employee Forms", which will provide the net balances for each employee on an employee form issued directly from the FMIS which provides bank account detail and name of each employee to be paid. Treasury will send



the employee form to the bank to accompany the cheque, which acts as a payment instruction to the bank. If cash is to be the means of payment for non-civil servants (highly discouraged), only the *Beneficiary* and the *Amount* need be completed. In addition, the numerical amount of the payment request must be written out in script. If it will be necessary to transfer funds from the FMS TSA to the beneficiary or Paying Officer, all of the requested information must be completed in order to assure the accurate transfer of cash funds.

Payment to Paying Officer

5.1.3.4 **NOTE:** The Paying Officer methodology is only applicable to paying non-civil servant salaries – security forces, in the temporary absence of electronic transfer to security force personal bank accounts or mobile money. It is the goal of government to move all security force payments away from cash as soon as possible.

5.1.3.5 If the payment output from the FMIS is either a cheque or a payment advice, the Paying Officer will take possession of the payment document in order to obtain the necessary funds to pay individuals. In this situation, the Paying Officer would sign this section to indicate having received the cheque or payment advice. The Paying Officer also takes responsibility for the three statements contained therein. The Paying Officer would obtain cash by either cashing the cheque or presenting the payment advice at the bank. Once the Paying Officer obtains cash from the bank to pay non-civil servant salaries, he would pay the individuals listed in Form 3A or 3B.



6. Form 4: Purchase Order/Receiving Report Detailed Instructions

6.1 Overview

6.1.1 The purchasing process involves choosing the method of procurement, tendering, evaluating the responses, negotiating with a winning supplier and lastly entering into a contract or issuing a *Purchase Order* (PO). A decision must be made about whether quotes will be sought or tenders called, or whether some other procurement method will be followed. See *Regulation #8, Establishing Public Procurement Policy & Procedures* for full guidance related to all FMS purchases of goods and services.

6.1.2 The final phase of the procurement process is that of entering into a formal commitment/obligation with the supplier. This may involve issuing a *Purchase Order* for less complex orders or by signing a formal contract on complex purchases to supplement the *Purchase Order*. Budget unit heads are required to identify which officers should have the power to enter into legal commitments for the spending of public funds that will require expenditure from the FMS Budget [See *Instruction A - Delegation of Authority Letter*]. These officers will be designated as *Approving Officers*.

6.1.3 At an appropriate point depending on the procurement method selected, a *Purchase Order* will be completed in order to procure the goods or services.

6.1.4 A *Receiving Report* will be completed by a designated *Receiving Officer* after the officer has inspected the goods or services to determine that what was received is in accordance with the description, quantity and quality required in the *Terms of Reference* for any purchase. The bottom portion of the *Purchase Order* serves as the *Receiving Report* in most instances. If everything is received as ordered, the officer would sign the PO indicating this fact. Space is provided for the officer to note exceptions if the goods or services do not meet description, quantity or quality, or other terms and conditions as required in the *Terms of Reference*. Occasionally, the officer will have to submit a supplemental list of variances from the *Purchase Order* requirements.

6.1.5 Purchase order are to be utilized for all procurement, even for those procurements that require a more detailed formal contract.

6.1.6 Each section of the form is discussed below and the necessary instructions for completing the form are provided. The instructions are provided in the sequence of a normal purchasing and receiving transaction. Headings contained hereunder conform to the headings in the *Purchase Order/Receiving Report*. See Appendix 1 to this Instruction for a copy of the form.

Purchase Order

6.1.6.1 This *Purchase Order* form is to be used for procurement of goods or services and must be completed and signed by the Ministry's *Approving Officer*.

Ministry: is the Ministry or Agency that is procuring the goods or service under its spending authority.

Date: is the date of issuance of the *Purchase Order*.



Bisan CV No.: is the Commitment Voucher (CV) number entered on the CPO after the commitment has been recorded in the Bisan FMIS. The Bisan CV No. links all the stages of the business process flow in the financial process.

Purchase Order No.: is a sequential number that is maintained within each Ministry's finance office to control the issuance of *Purchase Orders*. For those procurements for which budget entities are allowed to procure without requiring the centralized procurement department to undertake, in compliance with *Regulation #8, Establishing Public Procurement Policy & Procedures*, the budget entity will maintain their own manual PO register number. Because all procurement of goods and services require a commitment to be taken in the FMIS, it is also acceptable to utilize this number as a CV number as the Purchase Order No.

Supplier Information: identifies relevant contact information about the supplier.

Delivery Instructions: are provided to the vendor to instruct him on the required mode of delivery, packing instructions, place of delivery, timing of delivery, etc. It is important to include all critical delivery instructions that have been negotiated with the vendor in this section since the Ministry's procurement officer (centralized officer if procurement undertaken by the MoF Procurement Department or the assigned staff of the budget entity if procurement is allowed locally) must approve any deviations from the instructions before delivery can be made.

Description: includes any physical description, part number, etc. that assists in the identification of the goods or services.

Quantity: is important to identify since the order may include many parts. Quantities of each part must be identified.

Rate: is the unit cost of the goods being ordered.

Amount: is the extension of the *Quantity* and the individual unit price or *Rate* for each item listed. Care must be taken to assure accurate calculation to arrive at the total *Amount* of value ordered.

TOTAL COST: is the sum of each the *Amount* line. Again, accuracy is very important in this addition in order to protect against the Ministry paying more than the agreed upon price.

BCS code: must be replicated in accordance with the instructions in Commitment and Payment Order Form 2.

Ministry Contact Person, Phone/E-mail: This is the person and contact details the vendor should contact initially to enquire about the PO.

Ministry Approving Officer: An *Approving Officer* (usually the department Financial Officer), before approving a proposal that commits spending public moneys from the FMS Budget, must have satisfied himself that:

- (a) the proposal was authorized by a properly appointed *Authorizing Officer*;
- (b) the commitment must be consistent with that approval;
- (c) the proposal must represent the best value for money; and
- (d) there is sufficient funds allocation reserved in the correct Appropriation category in the FMS Consolidated Budget to meet the proposed expenditure.



When these conditions have been satisfied, the *Approving Officer* may sign to enter into a legal requirement that will result in expenditure from the FMS Consolidated Budget.

Signature and Date: is the signature of the *Approving Officer* and the date is the day the commitment is made on the *Purchase Order*.

The type of supporting documents that accompany the *Purchase Order* should be circled on the *Purchase Order*.

Receiving Report

6.1.6.2 The Ministry must verify that the goods and services specified in the *Purchase Order* are received in accordance with the terms and conditions as specified in the *Purchase Order*. The Ministry's Receiving/Financial Officer is responsible for verifying that the above conditions are met and he/she attests to the verification by signing the *Receiving Report*. Any deviations from number of items or conditions of the items listed in the purchase order (or more detailed Terms of Reference) should be noted in the space provided for such exceptions. An extra sheet should be provided if the description of exceptions exceed the provided space in the *Receiving Report*. The information provided should contain enough data about the deviation to allow the vendor invoice to be adjusted for the value of the usable goods received.

7. Form 5: Journal Voucher Detailed Instructions

7.1 Overview

7.1.1 Journals are accounting entries to the general ledger. The journal voucher form (Form 5) is to be used when it is necessary to make an adjustment to an entry in the general ledger, i.e., transfer amounts from one general ledger account (economic code) to another, which may result from a correction of an accounting error or undertaking year-end adjustments. It should be noted that general ledger accounts include ALL segments of the BCS. Therefore, the journal voucher (JV) is also used to correct errors in Fund Code, Ministry, Project or Location.

7.1.2 Journal vouchers have two amount columns, one for debits, and the other for credits with both columns balancing at all times. Journal vouchers are only used to record and transfer actual amounts. They are not used for budget transfers.

7.1.3 Journal adjustments are approved and entered into the FMIS by the Treasury Department. Errors in the accounts of MDAs are to be brought to the attention of Treasury by the line ministries, completing the manual JV form (embedded at the end of this instruction as Form 5).

7.1.4 A summary of the JV process is described below:

- The MDA identifies that an adjustment is required
- MDA initiates the process by completing a manual JV form (see Form 5), signing, approving and remitting to the Treasury department
- Treasury department receives journal, reviews for propriety and if in agreement, signs and forwards for processing in the FMIS
- JV approved in the FMIS by Treasury department approver and posted
- JV printed from FMIS and attached to manual JV and filed by Treasury, copy of JV from FMIS is provided to requesting MDA for their records.



- Treasury and MDA review posting in the FMIS to ensure the posting was done correctly. Not all MDAs may have access to the FMIS, therefore for those MDAs that do not have access, Treasury will provide a detailed budget report to the MDA, along with a copy of the JV from the FMIS, so the MDA can review and confirm changes made to their accounts.

7.2 Detailed Instructions

7.2.1 Each section of the form is discussed below and the necessary instruction for completion of the form provided. Headings contained hereunder conform to the headings in the *Journal Voucher* form attached.

Journal Voucher

Manual JV#: At the time of completing the manual JV, there will be no FMIS-issued JV number, therefore it is recommended that the MDA finance department utilize their own tracking number for manual JVs and record this number here. When the JV is entered into the FMIS, this manual JV # will be recorded on the voucher in the FMIS for future reference.

Effective Posting Date: The purpose is to indicate the JV posting date in the General Ledger. Errors or corrections are often found after the original entry was posted, but generally in the same fiscal year to which they relate. The overriding policy is that correcting entries are made in the period in which it was discovered. As an example, if a posting error was made in March, fiscal year X but it was not discovered until July, fiscal year X, the correcting entry would be made in July, fiscal year X, when it was discovered. The JV will not be backdated to March, fiscal year X. However, there are some exceptions to this general principle. The exceptions are for (a) "Period 13" or "year-end" adjustments and (b) prior period adjustments.

- Period 13 adjustments usually arise during the review/account reconciliation process when preparing the year-end financial statements. This review process physically occurs after the fiscal year to which the accounts relate, i.e., Financial statements for fiscal year X are being prepared in fiscal year X+1. When corrections are required, JVs are processed in Year X, usually with a date of 31 December, year X.
- Prior period adjustments arise due to the correction of an error in the financial statements that were reported for a prior period but discovered in a future year. This often arises during the annual audit process and correction of errors relating to a prior period is recorded in accordance with IPSAS cash basis of accounting.

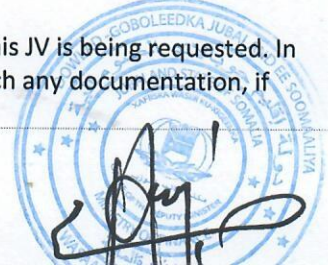
Fund/Ministry/Project/Location/Account: This are the complete budget classification coding string that will allow the entry to be posted in the general ledger. Indicate the complete code for each segment of the classification.

Account Description: Provide the name of the account code. For example, if the account code is 211201, the account description would be "Regular Food Provision".

Debit Amt/Credit Amt: The values of each line entry, requiring a debit and credit entry.

TOTAL [Debits and Credit Must Equal]: This is the column totals for debits and credits. In order for the JV to be processed, the sum of the debit column must equal the sum of the credit column.

Justification for Entry: A clear and concise explanation as to why this JV is being requested. In order for Treasury to assess the propriety of the entry, please attach any documentation, if



available, to support and justify the entry. If the journal relates to an original entry, then details of that original entry must be provided, i.e., date, JV / PV / RV number

Approvals and Data Entry: This section consists of two sections, one for the requesting MDA and one for Treasury. The requesting MDA section requires (a) name of MDA requesting, (b) date request made, (c) approver's name within the requesting MDA and (d) signature of the approver. The Treasury section requires (a) date of approval, (b) approver's names, (c) approver's signature, (d) name of person who entered the JV into the FMIS, (e) entry date and (f) the JV # from the Bisan FMIS.

8. Entry into Force

8.1 This Instruction is deemed to have entered into force on date issued of DD/MM/YYYY



Appendix 1 - Forms

Form 1 – Appropriation Reallocation Form



Form 1 -
Appropriation Reallo

Form 1A – Funds Reallocation Form



Form 1A - Funds
Reallocation Form_v'

Form 2 – Commitment Purchase Order (CPO)



Form 2 -
Commitment Payme

Form 3 – Payment Order for Salaries & Allowances (POSA)



Form 3 - Payment
Order Salaries_v2.doc

Form 3A – Payroll Detail



Form 03A Payroll
Detail_v2.xls

Form 3B – Payroll Detail



Form 03B Allowance
Detail_v2.xls

Form 4 – Purchase Order (PO)



Form 4 - Purchase
Order_v2.docx

Form 5 – Journal Voucher



Form 5_Manual
Journal Voucher_v4.c

