



REPUBLIC OF GHANA

MINISTRY OF FINANCE

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Our Ref: **MOF/BDCU/BD/01/21**
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09/04/2021

ALL HONOURABLE MINISTERS

MINISTRIES/DEPARTMENTS/AGENCIES

2021 BUDGET IMPLEMENTATION INSTRUCTIONS

Following the passage of the Appropriation Act, 2021, (Act 1069) by Parliament, the Ministry of Finance has issued this Budget Implementation Instructions in accordance with the Public Financial Management Act, 2016 (Act 921), to guide all Ministers (Principal Account Holders) and Chief Directors (Principal Spending Officers) in the implementation of the 2021 Budget.

2. The Instructions provide information on the procedures for accessing funds in respect of Compensation of Employees, Goods and Services and Capital Expenditures.

3. In line with the provision in the PFM Act Colleague Ministers/Heads of Institutions are kindly requested to note especially the following;

a) Expiration of 2020 Budget

Sub-Section 1 of section 26, of Act 921 provides that each appropriation approved by parliament shall cease to have effect at the close of the financial year in respect of which the appropriation was made. Consequently, the 2020 approved budget has expired.

b) Compensation

- i. The policy of Net recruitments is still in force for all MDAs except the Ministries of Education and Health;
- ii. With effect from January 2021, warrants will be issued at cost centre levels every quarter to cover MDAs payroll expenditure and allowances;
- iii. Quarterly allotments will be issued by MoF for all Non-Salary Related Allowances to and the MDAs are expected to manage the payment of the allowances from these allotments.
- iv. All requests for Financial Clearance will be subjected to the MDAs remaining within their staff strength ceiling as at 1st January 2021, as well as, an assessed favorable end-of-year balance on their Compensation Budget. MDAs are to note that all Financial Clearance expires with the Appropriation Act.

g. Offering letters of Guarantee or Undertaking to Contractors

The practice of MDAs granting letters of guarantee / undertaking to contractors to secure facilities from financial institutions cannot be done without recourse to the Ministry of Finance and budgetary provision. Failure to do so constitutes a breach of Section 96 (1) of the PFM Act, 2016, Act 921 and attracts appropriate sanctions.

h. Internally Generated Funds

MDAs are reminded to comply with the Earmarked Fund and IGF Capping Law and all regulations relating to the management and use of IGFs.

i. Reporting

In accordance with Section 24, 30 and 34 of the PFM Act, 2016 (Act 921), Colleague Minister/Heads of Institutions are to ensure that their MDAs provide quarterly reports on expenditures made, progress on the implementation of programmes and sub-programmes and targets using template provided for the purpose. All State Owned Enterprises, are required by Section 93 (1) of the Act 921 to submit a Financial Plan for the year through their Sector Minister to the Ministry of Finance.

4. For clarifications and further explanations please call the following numbers; 0501290134, 050407947, 0202030359, 0244811257.
5. Soft copies of the Instruction is available at the Ministry's website while hard copies can be obtained at the Director Budget Secretariat.
6. Thank you.


KEN OFORI-ATTA
MINISTER

Cc: The Executive Secretary to H. E
The President, Jubilee House
The Chief of Staff, Jubilee House
Senior Policy Advisors, MOF
The Head of Civil Service
The Head of Local Gov't Service
All Chief Directors, MDAs
The Director of Budget, MOF
The Controller and Acct. General
The Auditor-General
All Heads of Dept./Agencies
All Region Co-Ord. Directors
All Directors of PPME
All Regional Budget Officers.



REPUBLIC OF GHANA

MINISTRY OF FINANCE
**2021 BUDGET
IMPLEMENTATION
INSTRUCTIONS**

ISSUED BY MINISTRY OF FINANCE
April, 2021



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1.0 INTRODUCTION

The 2021 Appropriation Bill was passed into law on 30th March 2021 by the Appropriation Act, 2021 (Act 1069) and given Presidential assent on 31st March 2021.

Section 3 of the Public Financial Management Act, 2016 (Act 921) herein referred to as the PFM Act establishes the general responsibility for public officers for the management of Public Funds in accordance with the PFM Act and its Regulations. In relation to the above and consistent with Regulation 62 (1) of PFM Regulations, 2019, (L. I. 2378) the Minister for Finance is required to issue Budget Implementation Instructions for each financial year, detailing the procedures and requirements in implementing the approved budget.

The Minister for Finance, hereby issues, for the attention of and compliance by all Ministries, Departments and Agencies (MDAs), this Budget Implementation Instructions ("Instructions"), for the 2021 financial year.

It is important for all MDAs to note that the theme for the 2021 Budget is "Completion, Consolidation and Continuation". The main focus of Government arising from the theme for the year is the fulfilment of existing commitment and the completion of existing projects. The year 2021 is a unique year, coming immediately after the -COVID-19 pandemic. The main preoccupation of Government in 2021 and the medium-term, therefore, is to mitigate the impact of the pandemic with a view to returning the economy to strong and sustainable growth, while protecting lives and livelihoods. The COVID-19 Alleviation and Revitalisation of Enterprises support (CARES) programme is the intended vehicle by Government to achieve these objectives.

The Budget will be implemented within the context of fiscal consolidation and debt sustainability underpinned by limited fiscal space and budget rigidities amid the constraints imposed on the economy by the COVID-19 pandemic. To ensure that Government meets programme objectives, as well as, its fiscal and economic targets, it is expected that all MDAs/MMDAs will take note and strictly comply with all aspects of these Instructions and also prioritize their programmes accordingly to fit into the approved budget.

All MDAs and MMDAs are to ensure that expenditures are properly scrutinized based on the checklists provided at Appendix I. In this regard, the Internal Audit Units of MDAs and MMDAs are to undertake and ensure expenditure scrutiny using the Checklist. These instructions apply to all the funding sources, including Government of Ghana (GoG) Funds, Annual Budget Funding Amount (ABFA), Development Partner (DP) Funds, and Internally Generated Funds (IGF).

MDAs are to note that it is important to comply strictly with these Instructions in order to facilitate timely and speedy processing of requests for release of funds. Failure to comply fully with these Instructions will result in delay of releases, and in some cases, may result in outright denial of releases.

2.0 MDAs MONTHLY WORK PLANS AND BUDGET REQUIREMENTS

To facilitate the implementation of the 2021 budget, MDAs are required to ensure that their work and cash plans are captured in the Hyperion System which will inform the quarterly budget allotments. In responding to MDAs cash requirements, MoF will take into account the seasonality in the implementation of programmes and projects of MDAs and the actual cash available. The work and cash plans should cover all sources of funds including IGF.

2.1 Undischarged Commitments at the End of 2020

The 2020 financial year has ended and is officially closed to all transactions. All undischarged Compensation of Employees, Use of Goods and Services as well as Capital expenditure commitments at the end of 2020 are to be **the first charge** on the approved 2021 Budget of MDAs and they must be considered as part of the 2021 Budget Appropriation but not additional to that. MDAs that have undischarged commitments from 2020 and consider them as valid must therefore initiate and charge them against their approved 2021 Budget.

2.2 Commitment Control

Regulation 61 to 77 of the PFM Regulations requires covered entities to use the Ghana Integrated Financial Management Information System (GIFMIS) for the approval of payment vouchers for commitments made. The Public Financial Management Act, 2016 (Act 921) forbids the commitment of government to expenditure obligations without an appropriated vote. It is therefore illegal to award contracts for goods, services, works or technical assistance without an approved budget. MDAs are therefore reminded to ensure that all their procurement activities are adequately funded through the approved budget.

- All procurement requests by procurement entities relating to any fiscal year must be backed by confirmed appropriation for that year and must also be based on confirmed sources and availability of funding;
- All procurement approvals by the Public Procurement Authority (PPA), the Central Tender Review Committee (CTRC), and the Entity Tender Committees (ETCs) relating to any fiscal year must be backed by confirmed appropriation for that year and must also be based on confirmed sources and availability of funding;
- As far as possible, commitments for obligations for each specified year must be adhered to in the case of approved multi-year contracts.
- With the exception of approvals for emergency expenditures, all other approvals for new programmes, projects, and activities must be considered within the medium-term expenditure framework already approved by Cabinet for the current budget year.

2.3 Letter of Guarantee / Undertaking

The practice of MDAs granting letters of guarantee / undertaking by MDA's to contractors to secure facilities from financial institutions cannot be done without recourse to the Ministry of Finance or budgetary provision. Flouting this directive make the State incur judgment debts. It should be noted that as contained under Section 66 (2) of the PFM Act, The Public Debt Management Office of the Ministry of Finance shall, before the issuance of a government guarantee, assess the local government authority, public corporation or other entity to ascertain the fiscal risk of that local government authority,

public corporation or other entity to the Government in respect of that guarantee. Similarly, Section 66 (10) of the PFM Act states that "A letter of intent, letter of comfort or similar letter, or an approval by Government of a borrowing to be undertaken by another entity **shall not constitute a government guarantee or any other form of legal undertaking of Government**"

3.0 REQUESTS FOR RELEASE OF FUNDS

3.1 COMPENSATION OF EMPLOYEES

3.1.1 Payment of Salaries

The Ministry of Finance will continue with the issuance of General Warrants on quarterly basis, to the Controller and Accountant-General's Department (CAGD) for the payment of salaries of all employees at Cost Centre level. MDAs/MMDAs are to ensure judicious and efficient use of public funds by ensuring that Government pays for only verified employees at post. In line with the above, allotments for compensation will be based on the cash plans submitted by respective MDAs/MMDAs and also within the budget provisions for the year.

3.1.2 Validation of Staff Salaries

Heads of MDAs/MMDAs are required to comply with the directives on validation of the monthly salaries of their employees using the E-SPV system.

3.1.3 Validation of Salary Arrears by Internal Audit Unit

The Internal Audit Units (IAUs) of MDAs are required to validate and certify **all** salary and salary-related arrears claims before submission to MoF. In the event that, the Head of Internal Audit Unit makes false certification, the appropriate sanctions under Section 96 of the Public Act, 2016 (Act 921) will be applied.

3.1.4 Non-Salary Related Allowance

The Ministry of Finance will issue quarterly allotments for all Non-Salary Related Allowances to MDAs who are expected to manage the payment of the allowances from these allotments. MDAs are to initiate the quarterly Non-Salary Related Allowances on the GIFMIS and submit same to the Ministry of Finance for processing. **MDAs should not submit individual specific Non-Salary Related Allowances to the Ministry.** The Principal Spending Officer of the MDA must ensure that the Internal Audit Unit (IAU) validates all claims for Non-Salary Related Allowances before processing on the GIFMIS. This submission should be based on budget approvals for the year 2021.

MDAs will be required to include in their quarterly performance reports, detailed expenditure returns on allowances paid at the end of every quarter. Failure to submit the detailed returns will result in denial of allotment for subsequent quarters. (**Reference Appendix III for detail process on GIFMIS**).

3.1.5 Payment of Categories 2 and 3 Allowances

Payment of Categories 2 and 3 allowances in the Public Service will be guided by the tenets of the revised Administrative Rules and Procedures for implementing allowances. MDAs are required to review the current list of beneficiaries to ensure that **ONLY** those who qualify are paid and this is subject to budget availability.

All previous arrangements in relation to payment of categories 2 and 3 allowances cease to exist and are replaced by the new arrangements in the Administrative Rules and Procedures and in this Budget Implementation Instructions.

3.1.6 Financial Clearance

Financial clearance is required for every recruitment whether temporary or permanent. All requests for Financial Clearance will be subjected to the MDAs remaining within their approved staff strength ceiling as at 1st January 2021, as well as, favourable assessment of their Compensation Budget at the end of the year. MDAs are to note that every Financial Clearance expires with the Appropriation Act.

3.2 GOODS AND SERVICES

In an effort to ensure that MDAs can properly plan for the implementation of the 2021 approved budget, Ministry of Finance will issue quarterly Budget Allotments and warrants to the Controller and Accountant-General Department with copies to all MDAs at the beginning of every quarter to cover normal Goods and Services. MDAs should initiate the budget allotment on the GIFMIS within two (2) weeks of receipt to facilitate processing and release of funds.

MDAs are reminded that the Goods and Services budget includes expenditures on the following items:

- Foreign Travel Expenses;
- Medical Treatment;
- Utilities – Water, Electricity, telephone, among others;
- Property Rate and Ground Rent Payment; and
- Annual Subscriptions to International Organizations.

MDAs are no longer required to submit written requests (letters) for release of funds in respect of normal Goods and Services to the Ministry of Finance, except in cases where they relate to the key priority programmes of Government and critical expenditures to facilitate the monitoring of the programmes. The list of priority programmes is attached as Appendix II.

3.2.1 Requests for Goods and Services Warrant for priority programmes

Requests for Payment for Goods and Services related to the priority areas listed in Appendix II of the 2021 Budget will be initiated on the GIFMIS Platform and must be accompanied by:

- a. duly signed letter from the sector Minister, Deputy Minister or Chief Director;
- b. duly endorsed Interim Payment Certificate or VAT Invoice; and
- c. formal request for payment from the contractor/supplier.

Reference Appendix III for detail process on GIFMIS.

3.2.2 Request for Commencement Certificates/Warrants

MDAs are to initiate commencement requests on GIFMIS before contracts are awarded. Where the MDA has outstanding commitments over and above its approved 2021 budget, the MDA would have to make arrangement with the Ministry of Finance on how to handle the outstanding claims before the commencement request is approved. All MDAs must ensure that they initiate commencement before 1st July, 2021.

All commencement requests must be initiated on the GIFMIS against the MDAs approved 2021 budget (***Reference Appendix III for detail process on GIFMIS***).

3.2.3 Award of New Contracts

MDAs must obtain approved Commencement Warrant on the GIFMIS before issuing purchase orders for new contracts. MDAs are to note this and comply accordingly to eliminate budget overruns and its attendant arrears which undermine budget execution. MDAs awarding new contracts must ensure that:

- Any indexation to a foreign currency is done in accordance to Regulations 78 to 83 of the PFM Regulations, 2019 (LI 2378);
- There are no advance mobilisation payment clauses; and
- No price variations.

3.3 CAPITAL EXPENDITURE (CAPEX)

3.3.1 Payment of Capital Projects

MDAs must initiate all payment requests in respect of capital projects on the GIFMIS platform. In this regard, MDAs must ensure that all requests are made against the appropriate Chart of Accounts and that there are confirmed sufficient funds and the necessary procurement processes have been duly followed. MDAs must certify that the request being initiated represents the MDAs most prioritised requirement/projects in line with the Public Investment Plan as part of the Programme Based Budget submitted to Parliament. Chief Directors should ensure that there is a duly completed Checklist before approving of the request.

All Interim Payment Certificates should have the endorsement of the following:

- the Consultant;
- the Head of Department or Agency which is implementing the project;
- the Regional Minister of the Region where the project is located; and
- the Sector Minister (***Reference Appendix III for detail process on GIFMIS***).

3.3.2 Authorisation of Requests

All Commencement requests initiated on GIFMIS should be approved by the Chief Director on the authority of the Minister. In the case of the Commissions, the Head of the Commission or any of his or her Deputies may authorise the initiation of the process.

3.3.3 Contract Extensions and Variations

Heads of MDAs are required to apply for and obtain financial clearance from the Ministry of Finance before granting extensions to contracts or varying same with cost implications.

The Ministry of Finance will not honour any claims for payment in respect of contract extensions or variations not supported by MoF's clearance. MDAs are also reminded to comply with the provisions of the Public Procurement Act as amended on contract variations.

3.3.4 Multi-Year Expenditure Commitments

In accordance with Section 33 of the PFM Act, MDAs must first seek written approval from the Minister for Finance for all multi-year contracts/expenditure commitments (***contract for purchase of goods, works, supplies or services for a period of more than one programme year***).

MDAs submitting requests for Multi-Year Contracts must fulfil requirements as detailed out in paragraph 3.3.4 of this document.

3.3.5 Instructions for implementing on-going Investment Projects

- MDAs should ensure that the implementation of their investment projects are within their respective sector's Public Investment Plan, which has been uploaded on the Hyperion.
- MDAs should note that only projects that are coded and prioritised as part of the Public Investment Plan can be implemented.
- MDAs requesting for funds to implement investment projects must state the investment projects code which should be the same as the code in the PBB document.
- MDAs/MMDAs requesting for projects funding for on-going investment projects shall submit Project Progress Report.
- MDAs/MMDAs requesting for projects funding for on-going investment projects shall complete table 1 below on the status of the investment project to their budget release.

Table 1 on the status of the investment project

Investment Project Code	Name of Investment Project	Original Contract Sum	Variation (if any)	Total Contract Sum (C) + (D) = (E)	Total Actual Payment as at date GHS (F)	Total outstanding payment GHS (E) – (F)	% of Physical work done	Amount being requested GHS
(A)	(B)	(C)	(D)					

3.3.6 For New Investment Projects

MDAs requesting for funding for new investment projects shall attach the following documentations prepared in accordance to with the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) based on the thresholds of the investment project to their request for commencement certificate:

- Project Concept Note;
- Pre-Feasibility Study Report;
- Feasibility Study Report;
- Project Contract; and

- any other relevant document or basic study required for preparing or formulating an investment project.

MDAs are expected to update the status of all on-going and new investment projects in the Public Investment Plan and report same to Parliament at the end of the year as part of the budget process (see template for reporting below).

Template for reporting to Parliament

Investment Project Code (A)	Name of Investment Project (B)	Original Contract Sum (C)	Variation (if any) (D)	Total Contract Sum (C) + (D) = (E)	Total Actual Payment as at 31 st December GHS (F)	Total outstanding payment GHS (E) – (F)	% of Physical work done	Amount being requested GHS

Reference Appendix III for detail process on GIFMIS

3.4 Payment of Compensation in respect of Land and Property

MDAs requesting for payment in respect of compensation arising from acquisition of land by the State or destruction of property as a result of construction of roads or any other infrastructure should make provision to accommodate these in their respective budgets.

3.5 Compensation for People Affected by Projects (PABPs)

MDAs should ensure that the Land Valuation Division of the Lands Commission certifies the list of beneficiaries and the amount due each person in the case of payment of compensation for people affected by the implementation of projects. In the event where the contractor pre-finances the payment of compensation to acquire the right of way, the contractor should be reimbursed with the amount certified by the Land Valuation Division. MDAs must, however seek pre-approval from the Ministry of Finance before entering into any pre-financing undertaking with contractors.

4.0 Public Procurement

4.1 Compliance to the Public Procurement Act – Single Sourcing

MDAs must strictly adhere to the provisions of the Public Procurement Act, 2003 (Act 921) as amended by Public Procurement (Amendment) Act, 2016 (Act 914), especially with regard to single sourcing, which has proven to pose significant risks to fiscal policy management. MDAs must comply with the provisions in regulation 30 of the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) on unsolicited investment project and single source procurements.

4.2 The use of Purchase Order (PO)

All contract awards for goods, services and works must be preceded by a Ghana Integrated Financial Management Information System (GIFMIS) generated Purchase Order (PO). MDAs are to note that no contract is valid without a GIFMIS generated Purchase Order and it is an offence under Sub-section 1(b) of Section 98 of the PFM Act, to issue any other purchase order outside of the GIFMIS.

4.3 Verification and Certification of MDAs Claims by Internal Audit Unit

Internal Audit Units (IAUs) of MDAs are required to scrutinise and certify all claims submitted to MoF requesting for release of funds. It is expected that Internal Audit Units will verify and certify that works have been executed or goods have been supplied and received into store and complete the appropriate checklists, endorsed and attached to all requests submitted to MoF. In the event that, the Head of Internal Audit Unit makes false certification, the appropriate sanctions under the Public Financial Management Act, 2016 (Act 921) will be applied.

4.4 Letters of Credit

All MDAs/MMDAs that have established Letters of Credit (LC) which are due for maturity in 2021, are required to meet the claims from their 2021 approved estimates, as there is no central vote to cover the LC claims.

4.5 Lifting of Fuel by Security Agencies

All Security Agencies are informed that there is no central vote for payment of fuel lifting. Subsequently, all expenditures in respect of fuel lifting are to be met from their 2021 Goods and Services approved budget estimates.

4.6 Duties and Taxes

All MDAs are reminded that, they will bear all duties, taxes, levies and other related fees and charges in respect of all imports, local purchases and contracts. All quotes should therefore include the relevant duties, taxes, levies, and related fees and charges.

4.7 Social Intervention Programmes

All MDAs that have responsibility for implementing social intervention programmes are required to submit detailed quarterly reports and expenditure returns on the programmes to MoF.

5.0 COMPREHENSIVE RESOURCE ENVELOPE OF MDAs

The approved 2021 Budget of MDAs captured all sources of funding to MDAs. MDAs must note that any loan or debt agreement which was not included in the 2021 Budget cannot be accessed or serviced in the 2021 financial year (either by way of drawdown disbursement, down payment or principal or interest payment).

5.1 Retention of Internally Generated Funds (IGF)

MDAs that have authorisation to retain and use all or portions of their IGFs are required to ensure that due processes are followed in the use of such funds, as per the PFM Act, 2016 (Act 921), the Appropriation Act for the 2021 Budget and the MDAs Retention of Funds Act, 2007 (Act 735).

5.2 Processing of IGF Transactions

All IGF-generating institutions are required to process their retained IGF portions on the GIFMIS platform. Any MDA that is currently not processing IGF on GIFMIS must contact the GIFMIS Secretariat for assistance. **Reference Appendix III for detail process on GIFMIS for Detail Business process**

5.3 Gross Lodgment of IGF

In line with the Earmarked Funds Capping and Realignment Act 2017, (Act 947), MDAs that have authorisation to retain and use portions of their IGF are required to lodge in full all IGF into their respective Holding Accounts opened and maintained for the MDAs at the Bank of Ghana. MDAs that have authorisation to retain and use all of their IGF are to lodge all in gross into their respective Operations Accounts.

5.4 Government Borrowing

In line with Article 181 of the 1992 Constitution and Section 55 (1) of the PFM Act, the Minister for Finance is the only authority to raise a loan on behalf of the Government of Ghana. All borrowing by an MDA, local government authority, public corporation or any State-Owned Enterprise should be in accordance with the PFM Act.

5.5 Development Partner Funds

All MDAs are to ensure that due processes for accessing Development Partner Funds using GIFMIS are followed to ensure proper accounting and reporting of budgetary inflow from this funding source.

Reference Appendix III for detail process on GIFMIS for Detail Business process

6.0 AWARD OF CONTRACTS IN FOREIGN CURRENCIES

Any contract with indexation to a foreign currency is to be done in accordance to Regulations 78 to 83 of the PFM Regulations, 2019 (LI 2378).

7.0 TAX EXEMPTIONS, WAIVERS AND VARIATIONS

MDAs should note that the authority to grant tax exemptions is vested only in Acts of Parliament.

The Revenue Administration Act, 2016 (Act 915) further provides in Section 63 as follows:

63. (1) In assessing, collecting and recovering tax, the Commissioner-General shall ignore a tax reduction except where the tax reduction is sanctioned by law.

(1) Subject to article 174 of the Constitution, a Ministry, Department or Agency shall not negotiate or enter into an agreement for the waiver or variation of tax except with the approval of the Minister for Finance.

Following from the above:

- a. The Commissioner-General will not honour any tax exemption unless the waiver or variation is supported by an Act of Parliament or relevant Legislative Authority;
- b. All contracts and agreements should quote tax-inclusive values;
- c. MDAs should not conclude contract negotiations or sign any Memorandum of Understanding (MOU) that makes provision for tax exemption of any sort, without the involvement of MoF and a no objection letter from the Minister for Finance; and
- d. No contract should be signed granting payments net of taxes.

8.0 MONITORING AND PERFORMANCE REPORTING

In accordance with Sections 30 and 34 of the PFM Act, 2016 (Act 921), all MDAs are required to provide quarterly reports on expenditures made, progress on the implementation of programmes and sub-programmes and targets using templates provided for the purpose. MoF scheduled monitoring visits will be undertaken to inspect project sites where necessary for validation. MDAs are to note that subsequent releases for Goods and Services releases will be based on receipt of previous quarters' reports consistent with Regulation 230, Sub-Regulation 2a.

9.0 OFFENCES AND PENALTIES UNDER PFM ACT 2016, ACT 921

Ministry of Finance wishes to bring to the attention of all MDAs and MMDAs the offences and penalties indicated in Section 96 of the Public Financial Management Act, 2016, (Act 921), some of which are listed below. All MDAs and MMDAs are required to familiarize themselves with all the offences and penalties in the PFM Act so as to avoid committing them:

- (1) A person, acting in an office or employment connected with the procurement or control of Government stores, or the collection, management or disbursement of amounts in respect of a public fund or a public trust who
 - (a) makes an unauthorised commitment resulting in a financial obligation for the Government,
 - (b) fails to collect moneys due to the Government,
 - (c) is responsible for any improper payment of public funds or payment of money that is not duly verified in line with existing procedures,
 - (d) is responsible for any deficiency in or for the loss, damage or destruction of any public funds, stamp, security, stores or any other Government property,
 - (e) accepts or receives money or valuable consideration for the performance of an official duty,
 - (f) in relation to the duties of that person, willfully makes or signs a false certificate, false return or false entry in a book, or
 - (g) fails to report knowledge or information in respect of fraud committed by a person against the Government, contrary to any enactment related to public financial management, to the appropriate authority or law enforcement authority

commits an offence and is liable on summary conviction to a term of imprisonment of not less than six months and not more than five years or to a fine of not less than one hundred penalty units and not more than two thousand and five hundred penalty units or to both.

- (2) A person, acting in an office or employment connected with the procurement or control of Government stores, or the collection, management or disbursement of amounts in respect of a public fund or a public trust who authorises an expenditure exceeding the approved appropriation in the relevant budget commits an offence and is liable on summary conviction to a term of imprisonment of not less than six months and not more than twelve months or to a fine of not more than the value of the assessed impact of the commitment or to both.

- (3) A person who promises, offers or gives money or any other valuable consideration to another person, acting in an office or employment;
- (a) connected with the procurement or control of government stores,
 - (b) connected with the collection, management or disbursement of amounts in respect of a public fund or a public trust; or
 - (c) with the intent to influence
- (i) a decision or action on any question or matter that is pending or is likely to be brought before the person in an official capacity; or
 - (ii) a person to commit fraud against the Government or to connive with, take part in or allow an opportunity for the commission of the fraud;

commits an offence and is liable on summary conviction to a fine of not more than three times the amount offered or accepted or a term of imprisonment of not less than six months and not more than two years or to both.

- (4) A Principal Spending Officer or any other public officer shall not commit Government to a financial liability, including contingent liability, unless that Principal Spending Officer is specifically authorized to do so under this Act, the Regulations or directives issued pursuant to this Act. A Principal Spending Officer who contravenes this is liable to an administrative penalty of two thousand penalty units.

- (5) A person who
- (a) refuses or fails to produce or submit any information required under this Act,
 - (b) issues a local purchase order outside the Ghana Integrated Financial Management Information System or any other electronic platform in use by Government,
 - (c) misuses or permits the misuse of any Government property which results in a loss of public resources, contravenes or knowingly permits another person to contravene a provision of this Act or the Regulations, or instigates another person to contravene a provision of this Act or the Regulations,

commits an offence and where no penalty is provided for the offence, is liable on summary conviction to a fine of not less than one hundred and fifty penalty units and not more than two hundred and fifty penalty units or to a term of imprisonment of not less than six months and not more than two years or to both.

- (6) A person who contravenes sub-section (1) is, in addition to the penalty specified in that subsection:
- (a) liable for any liability contracted on behalf of Government as a result of the contravention; and
 - (b) subject to disciplinary action by Government including dismissal, demotion or suspension.

10.0 CONCLUSION

Ministry of Finance will continue to focus on facilitating MDAs and MMDAs access to funds for effective and efficient implementation of approved programmes and projects.

All MDAs, MMDAs and SOEs are therefore, expected to cooperate and strictly comply with these instructions for the smooth implementation of the National Budget and facilitate the attainment of government policy objectives in 2021.

**KEN OFORI-ATTA
MINISTER FOR FINANCE**

11.0 APPENDICES

Appendix I: - Checklists

Budget Implementation – Checklist for Release of Funds. Compensation of Employees (Allowances/Salary Arrears)

NATURE OF REQUEST:					
S/NO.	DESCRIPTION	YES	NO	N/A	REF PAGE
1	Is Condition of Service attached to request?				
2	Is copy of Ministry of Finance approved letter attached?				
3	Are the beneficiaries entitled to the allowances?				
4	Is the category of allowance indicated?				
5	Is it category one (1) allowances?				
6	Is it category two (2), three (3) or four (4) allowances?				
7	Is the rate in line with current approval levels?				
8	Are the Names, Grade and Staff ID of beneficiaries indicated?				
9	Is the request in the approved budget of the MDA?				
10	Is the request for current year?				
11	Is the request for previous year?				
12	If request is for previous year, has it been validated by Internal Audit Unit?				
13	Has the accuracy of the amount being paid ascertained?				
14	Is there sufficient budget balance to end year?				
15	After projecting to cover end year, can the balance accommodate current request?				
16	Is the request signed by an authorized officer?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Schedule Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

**Budget Implementation – Checklist for Release of Funds Goods and Services
(Supplies)**

NATURE OF REQUEST:					
S/NO.	DESCRIPTION	YES	NO	N/A	REF PAGE
1	Is duly approved Commencement Warrant attached to the request?				
2	Is the contract document attached?				
3	Is there any advance mobilization clause in the contract document?				
4	Is there any bank/insurance guarantee attached to the request?				
5	Is the award of contract letter attached?				
6	Does the request include minutes of Tender Board meeting?				
7	Is the VAT/NHIL Receipt (s), Way Bill and Stores Receipt Advice attached?				
8	Is the request in the approved budget of the MDA?				
9	Is the request denominated in the local currency?				
10	If not denominated in the local currency, was it approved by Ministry of Finance?				
11	Has payment been requested for by the executing company?				
12	Has the accuracy of the amount being paid been ascertained?				
13	Has the Goods been fully supplied or services rendered?				
14	Is there any evidence that the transaction is exempted from tax?				
15	Is the request signed by an authorized officer?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Schedule Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Budget Implementation – Checklist for Release of Funds Goods and Services (Normal)

NATURE OF REQUEST:					
S/N.	DESCRIPTION	YES	NO	N/A	REF. PAGE
1	Does the MDA have a sufficient budget to accommodate allotment?				
2	Has the allotment been broken down to show various Cost Centres allocations?				
3	Has the MDA submitted expenditure returns for the quarter?				
4	Has the MDA prioritised its allocation to include critical/essential requests?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Schedule Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Budget Implementation – Checklist for Release of Funds Capital Expenditure (CAPEX)

NATURE OF REQUEST:					
S/NO	DESCRIPTION	YES	NO	N/A	REF. PAGE
1	Is duly approved Commencement Warrant attached to the request?				
2	Is the contract document attached?				
3	Is there any advance mobilization clause in the contract document?				
4	Is there any bank/insurance guarantee attached to the request?				
5	Is the award of contract letter attached?				
6	Does the request include minutes of Tender Board meeting?				
7	Has the Interim Payment Certificate (IPC) been properly endorsed?				
8	Is the request in the approved budget of the MDA?				
9	Has the Contract/Contract sum been varied/extended?				
10	If varied/extended, has it been approved by appropriate Tender Review Board?				
11	Is the request denominated in the local currency?				
12	If not denominated in the local currency, was it approved by Ministry of Finance?				
13	Has payment been requested for by the executing company?				
14	Has the accuracy of the amount being paid been ascertained?				
15	Is there any evidence that the transaction is exempted from tax?				
16	Is the request signed by an authorized officer?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Schedule Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Budget Implementation – Checklist for Release of Funds. Land Compensation

NATURE OF REQUEST:					
S/NO	DESCRIPTION	YES	NO	NA	REF PAGE
1	Has the Instrument of Acquisition been attached?				
2	Is the Instrument of Acquisition Number indicated?				
3	Is the purpose of acquisition stated?				
4	Is the site plan attached?				
5	Does the request indicate the dimensions/hectare of the land?				
6	Is the previous owner (s) indicated?				
7	Is the current owner (s) indicated?				
8	Has the value of the land been assessed by the Valuation Division of Land Commission?				
9	Is the assessed value indicated?				
10	Is the request signed by an authorized officer?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Budget Implementation – Checklist for Release of Funds. Judgment Debt

NATURE OF REQUEST:					
S/NO	DESCRIPTION	YES	NO	NA	REF PAGE
1	Is the Suit No indicated?				
2	Is the Judgment attached?				
3	Is there any covering letter from the Attorney General Department?				
4	Has the Legal Division of this Ministry expressed its opinion?				
5	Is there any evidence of stay of execution?				
6	Is the beneficiary (ies) indicated?				
7	Has the amount involved been indicated?				
8	Has the request been approved by Management for processing?				
9	Is the request signed by the Attorney-General?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Budget Implementation – Checklist for Release of Funds. Counterpart Fund

NATURE OF REQUEST:					
S/NO	DESCRIPTION	YES	NO	NA	REF PAGE
1	Is the request in the approved budget of the MDA?				
2	Is the agreement attached to the request?				
3	Does the request indicate the Development Partner/Lender?				
4	Does the request indicate the Counterpart amount to be funded by government/MDA?				
5	Does the MDA have sufficient budget balance to accommodate the request?				
6	Is the request routed through the appropriate Ministry?				
7	Is the request signed by the authorized officer?				
I certify that the relevant request(s) has been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Budget Implementation – Checklist for Release of Funds. Subscription Payments

NATURE OF REQUEST:					
S/NO	DESCRIPTION	YES	NO	NA	REF PAGE
1	Has demand notice been served and received?				
2	Has the amount been indicated?				
3	Does the amount reflect subscription to be paid?				
4	Is the computation accurate?				
5	Is the country obliged to pay any subscription to this institution/organisation?				
6	Does the request indicate the period payment is related to?				
7	Is the institution/organisation a UN, AU, etc. body or any of its affiliates?				
8	Has the request been approved by Management for processing?				
9	Is the request signed by an authorized officer?				
I certify that the relevant request(s) has been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Schedule Officer:			Signature of Officer:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Schedule Officer's certification.					
Name of Head of Internal Audit Unit:			Signature of Head:		
Rank:			Date:		

Appendix II: Government Priority Programmes

1. Free Senior High School
2. Infrastructure for Poverty Eradication Programme (IPEP)
3. Road Infrastructure
4. Nation Builders Corps (NABCO)
5. School Feeding Programme
6. Planting for Food and Jobs (PFJ)
7. Livelihood Empowerment Against Poverty (LEAP)
8. Micro Finance and Small Loans Centre (MASLOC)
9. 1 District 1 Factory Programme (1D1F)
10. Railway Development Programme
11. National Identification Programme
12. Capitalisation of New Regions
13. Zongo Development Fund
14. Water and Sanitation
15. Fish Landing Sites Projects
16. Government Communication
17. Teachers and Nurses Trainees Allowances

Appendix III: Business Process for Processing of Compensation (Non-Salary Related Allowance), Goods and Services (Normal and Special) and CAPEX (Annual and Multi Year).

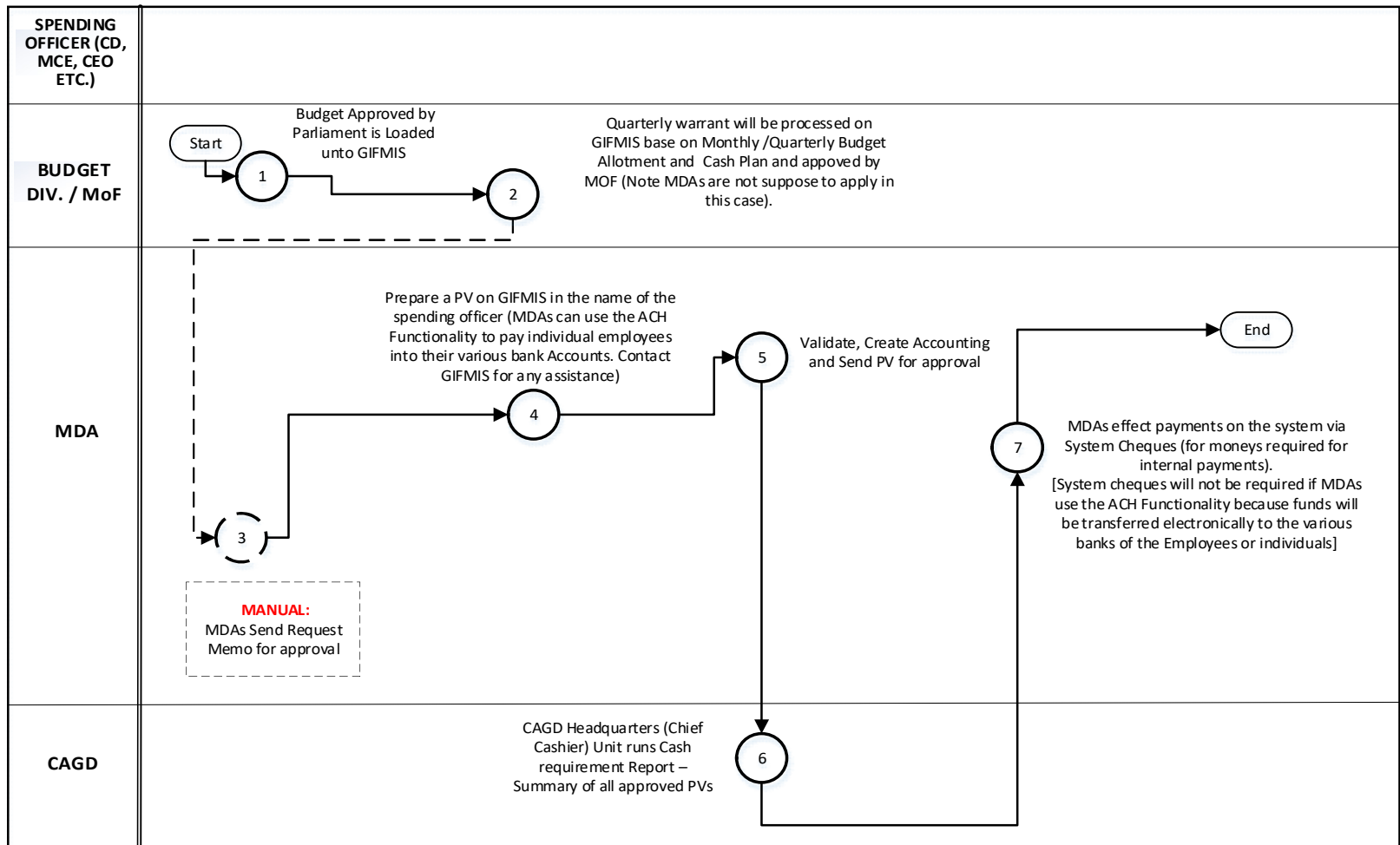
Business Process for Non Salary Related Allowances

1. MoF issues quarterly Budget Allotment based on MDAs cash plans and cash inflows.
2. MDAs initiate requests to MoF on GIFMIS based on Quarterly Budget Allotment (broken down by months)
3. MoF reviews and approves requests
4. MDAs receive approved warrants from MoF and initiates the necessary processes.

These steps have been designed diagrammatically as below



Business Process for NON SALARY RELATED ALLOWANCES



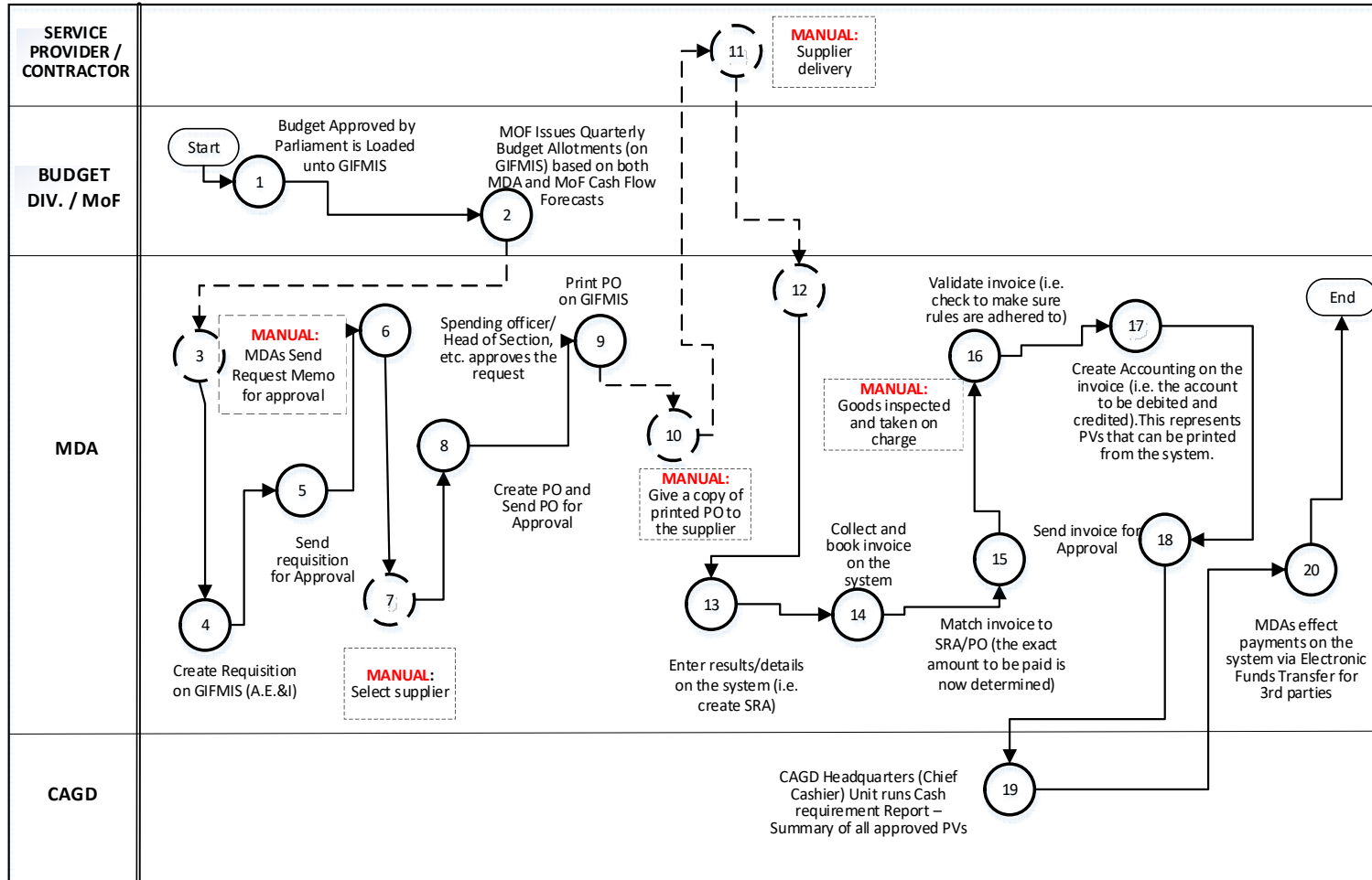
Business Process for Goods and Services (Normal)

1. Quarterly warrant will be processed on GIFMIS based on Monthly /Quarterly Budget Allotment and Cash Plan and approved by MOF (*Note: MDAs are not supposed to apply in this case*).
2. MDAs follow the steps below when Warrants are received from MoF.
3. Send Request Memo for approval (Manual)
4. Create Requisition on GIFMIS (A.E.&I)
5. Send requisition for Approval
6. Spending officer/Head of Section, etc. approves the request
7. Select supplier (manual)
8. Create PO and Send PO for Approval
9. Print PO on GIFMIS.
10. Give a copy of printed PO to the supplier (manual)
11. Supplier delivery (manual)
12. Goods inspected and taken on charge (manual)
13. Enter results/details on the system (i.e. create SRA)
14. Collect and book invoice on the system
15. Match invoice to SRA/PO (the exact amount to be paid is now determined)
16. Validate invoice (i.e. check to make sure rules are adhered to)
17. Create Accounting on the invoice (i.e. the account to be debited and credited). This represents PVs that can be printed from the system.
18. Send invoice for Approval
19. CAGD Treasury Headquarters (Chief Cashier) runs Cash Requirement Report which is a summary of approved PVs/Invoices from MDAs upon which funds are transferred into MDAs Sub-CF Accounts to make payment for the invoices. The eventually we can do centralized payments.
20. MDAs effect payments on the system via Electronic Funds Transfer for 3rd parties





Business Process for GOODS and SERVICES (NORMAL)



Business Process for Goods and Services (Priority- Without Commencement Warrant)

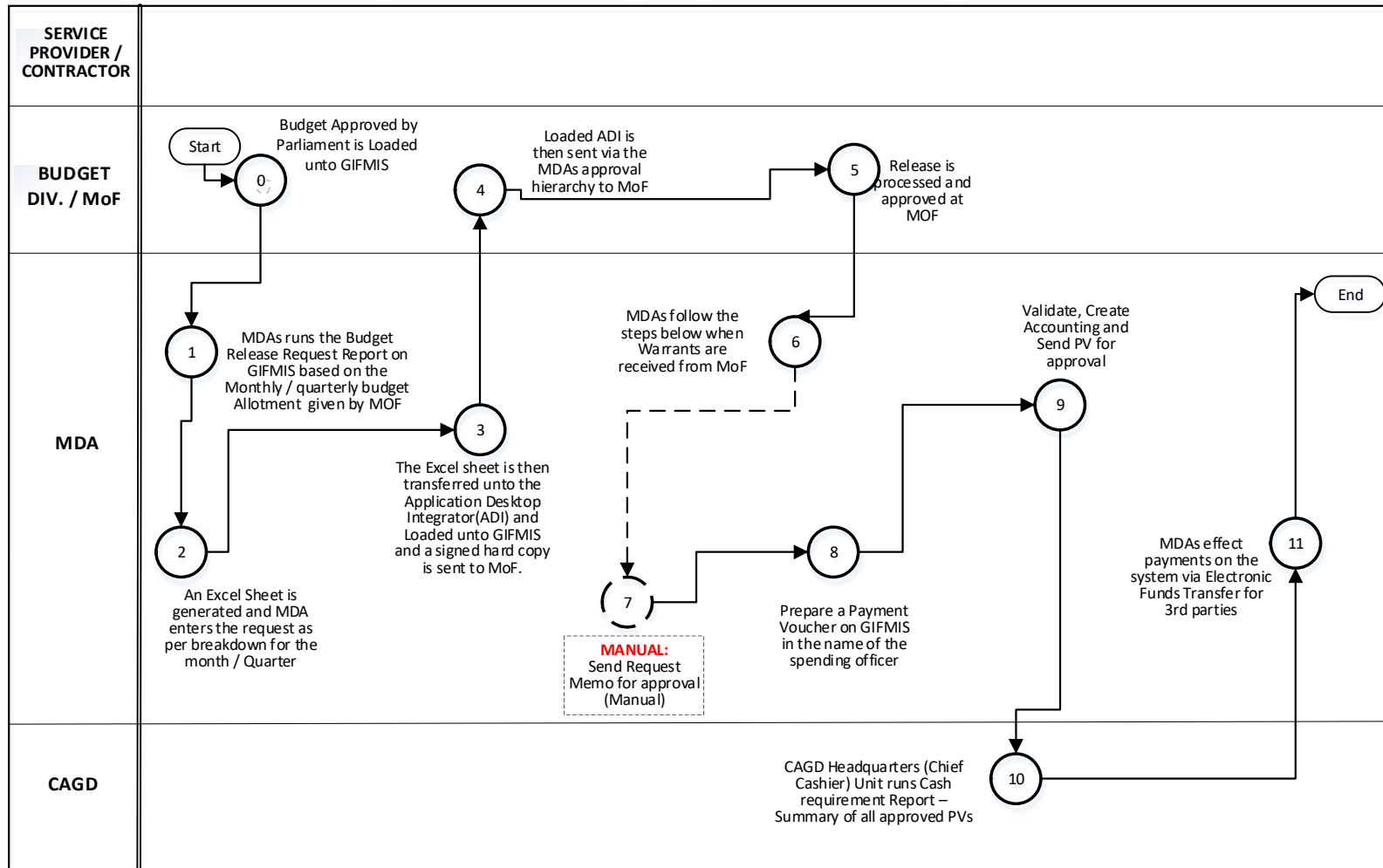
1. MDAs runs the Budget Release Request Report on GIFMIS based on the Monthly / Quarterly budget Allotment given by MOF
2. An Excel Sheet is generated and MDA enters the request as per breakdown for the Month / Quarter
3. The Excel sheet is then transferred unto the Application Desktop Integrator(ADI) and Loaded unto GIFMIS and a signed hard copy is sent to MoF.
4. Loaded ADI is then sent via the MDAs approval hierarchy to MoF
5. Release is processed and approved at MOF
6. MDAs follow the steps below when Warrants are received from MoF.
7. Send Request Memo for approval (Manual)
8. Prepare a Payment Voucher on GIFMIS in the name of the spending officer (*MDAs should you use the ACH Functionality to pay individual employees into their various bank Accounts. E.g. For School Feeding Invoice will be booked in the name of the spending officer and the various beneficiaries and and their will be attached at the distribution level. Contact GIFMIS for any assistance*)
9. Validate, Create Accounting and Send PV for approval
10. CAGD Treasury Headquarters (Chief Cashier) runs Cash Requirement Report which is a summary of approved PVs/Invoices from MDAs upon which funds are transferred into MDAs Sub-CF Accounts to make payment for the invoices.
11. MDAs effect payments on the system via System Cheques (for moneys required for internal payments). System cheques will not be required if MDAs use the ACH Functionality because funds will be transferred electronically to the various banks of the Employees or individuals

These steps have been designed diagrammatically as below

Note: Documents can be scanned and attached to transactions on the GIFMIS System. Note: Third Party Documents can be scanned and attached to transactions on the GIFMIS System.



Business Process for GOODS and SERVICES (PRIORITY – without Commencement Warrant)



Business Process for Goods and Services (Priority- With Commencement Warrant)

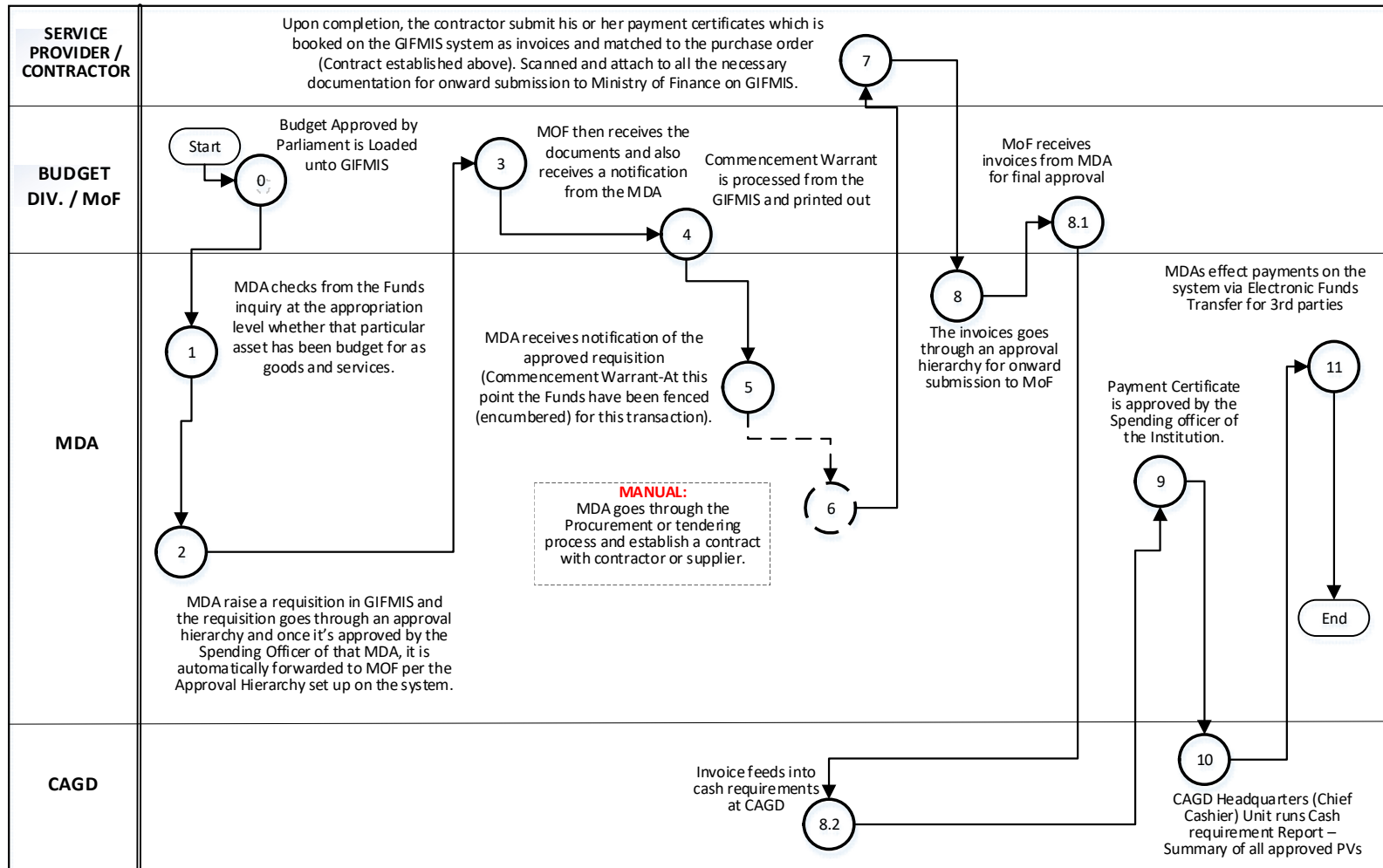
1. MDA checks from the Funds inquiry at the appropriation level whether that particular item has been budgeted for as goods and services.
2. MDA raise a requisition in GIFMIS and the requisition goes through an approval hierarchy and once it is approved by the Spending Officer of that MDA, it is automatically forwarded to MOF per the Approval Hierarchy set up on the system.
3. MOF then receives the documents and also receives a notification from the MDA
4. Commencement Warrant is processed from the GIFMIS and printed out. The commencement warrant process is as follows:
 - i. Schedule Officer opens notification and goes unto the requisition to access the Budget Line for the request.
 - ii. Use the Funds Inquiry form on GIFMIS to check if there exists enough funds. i.e. Appropriation as against how much have been released so far.
 - iii. If there exists enough funds, Schedule Officer processes the Commencement Warrant and forwards to the Sector Head, Group Head and to Director of Budget
 - iv. Director of Budget **approves the warrant** or **approves the requisition based on the limit**. The requisition serves as the commencement warrant on GIFMIS. Funds are fenced at this time for the commencement warrant. A notification is automatically sent to the MDA.
5. MDA receives notification of the approved requisition (Commencement Warrant-At this point the Funds have been fenced (encumbered) for this transaction).
6. MDA goes through the Procurement or tendering process and establishes a contract with contractor or supplier.
7. Upon completion, the contractor submits his or her payment certificates which is booked on the GIFMIS platform as invoices and matched to the purchase order (Contract established above). Scan and attach to all the necessary documentation for onward submission to Ministry of Finance on GIFMIS.
8. The invoices goes through an approval hierarchy for onward submission to MOF for Final Approval before feeding into Cash Requirement at CAGD (formerly Cash Release Instruction)-The necessary checks are done to make sure there is value for Money.
9. Payment Certificate is approved by the Spending officer of the Institution.
10. CAGD Treasury Headquarters (Chief Cashier) runs Cash Requirement Report which is a summary of approved PVs/Invoices from MDAs upon which funds are transferred into MDAs Sub-CF Accounts to make payment for the invoices. Then eventually we can do centralized payments.
11. MDAs effect payments on the system via Electronic Funds Transfer for 3rd parties

Note: Third Party Documents can be scanned and attached to transactions on the GIFMIS System.

These steps have been designed diagrammatically.



BUSINESS PROCESS FOR GOODS AND SERVICES (PRIORITY - with Commencement Warrant)

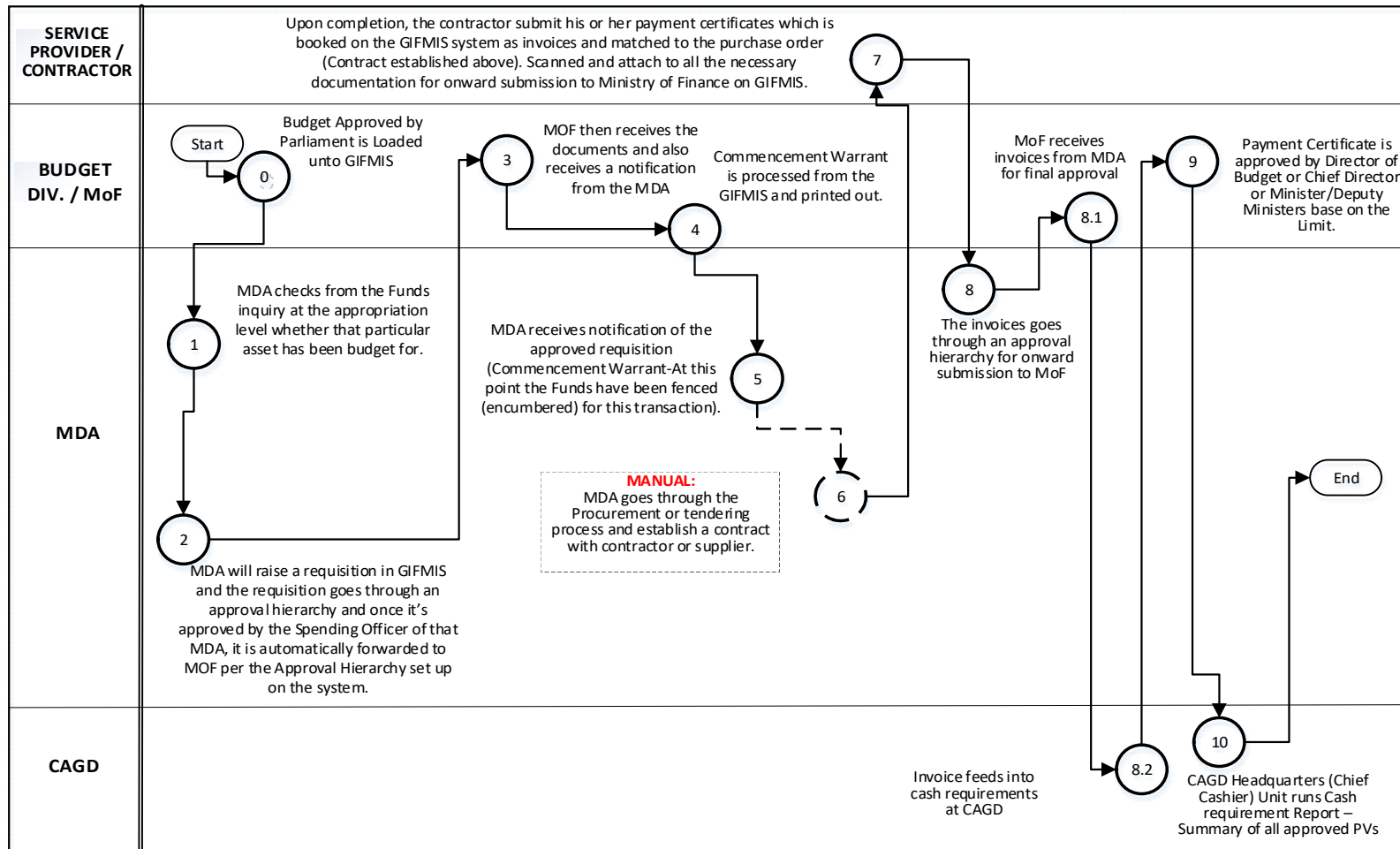


Business Process for Capital Expenditure (CAPEX)

1. MDAs checks from the Funds inquiry at the appropriation level whether that particular asset has been budgeted for and supported by adequate budget allotment.
2. MDAs will initiate a requisition on GIFMIS approved by the Principal Spending Officer of that MDA, it is automatically forwarded to MOF per the Approval Hierarchy set up on the system for both new and ongoing projects.
3. Commencement Warrant is processed from the GIFMIS and approved. **(NB: obtain Commencement Warrant before tender but for project continuation, a continuation warrant should be issued).**
4. MDA receives notification of the approved requisition (Commencement Warrant-At this point the Funds have been fenced (encumbered) for this transaction).
5. MDA goes through the Procurement or tendering process.
6. Upon completion of works, goods and services, the contractor submits his or her payment certificates which is booked on the GIFMIS system as invoices and matched to the purchase order (Contract established above). Scan and attach all the necessary documentation for onward submission to Ministry of Finance on GIFMIS.
7. The invoices are submitted to MoF for final approval.



BUSINESS PROCESS FOR CAPITAL EXPENDITURE (CAPEX)



Business Process for Capital Expenditure (CAPEX) – Multi Year

1. After going through all the administrative processes (PID, PIP, Cabinet approval and all the necessary documentation etc.), the following processes follow:
2. The MDA/MMDA shall prepare a Blanket Purchase Agreement (BPA) on GIFMIS for the entire contract sum. The BPA shall be routed through the approval hierarchy on GIFMIS to MoF for approval. The MDA/MMDA approval hierarchy shall comprise the following:
 - i. The Head of procurement who prepares the BPA
 - ii. The Head of Budget who authorizes the BPA
 - iii. The Chief Director who gives approval
3. The MoF approval hierarchy shall comprise the following:
 - i. Sector Head – reviews
 - ii. Group Head - authorizes
 - iii. Director of Budget – approves
4. The approval by the Director of Budget will be a delegated function by the Chief Director in accordance with the PFM law.
5. The BPA is a purchase order and it shall also have information on the budget allocations.
6. The approved BPA shall be printed by the MDA and issued to the contractor
7. The BPA does not encumber funds on the approved budget loaded on the GIFMIS for MDAs
8. The BPA shall be prepared only once on the GIFMIS for the entire duration of the project however, if there are variations, fluctuations, interest on delayed payment, etc. the BPA will be amended accordingly and resent to MoF for approval
9. Each BPA comes with system generated unique number to be used as identifier
10. Upon execution of contract and receipt of Contract Certificate(s), the MDA prepares a Blanket Release (BR) on the GIFMIS based on the BPA in 1 above. The BR shall be routed through the approval hierarchy from the MDA to MoF based on which a Warrant shall be issued to the tune of the Certificate amount.
11. The Blanket Release and the Warrant thereon, shall encumber funds on the GIFMIS by reducing available budget to the tune of that amount, and put a control in place to make sure that the appropriation is not exceeded.
12. MDAs shall then go through the P2P process on the GIFMIS to pay for the Certificate as follows:

13. Prepare Store Receipts Advice (SRA) to capture inspection instruction
14. Prepare Payment Voucher (PV), match it with the BR to be approved within the MDA. The PV after approval by the Spending Officer of the MDA shall reflect on Cash Requirement Report at the MDA's Treasury and National Treasury-CAGD
15. The National Treasury (CAGD Chief Cahier) shall issue Bank Transfer Advice (BTA) to Bank of Ghana to move funds into MDA's Sub-Consolidated Fund Bank Account.
16. MDA Treasury shall effect payment via the Electronic Funds Transfer (EFT) on GIFMIS.
17. Payment of Foreign transactions shall be done through the Treasury unit of CAGD, and then MDA is notified accordingly to offset the Liability by raising a dummy check on the GIFMIS system.



BUSINESS PROCESS FOR CAPITAL EXPENDITURE (CAPEX) – MULTI YEAR

