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དངུལ་རྩིས་ལྷན་ཁག། དངུལ་འཛིན་དང་རྩིས་ཁྲ་ལས་ཁུངས།
ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF TREASURY & ACCOUNTS



MOF/DTA/TMD/22-23/445

October 14, 2022

NOTIFICATION

Subject: Implementation of Direct Deposit in Government Budget Fund Account by the Budgetary Bodies

The Department of Treasury and Accounts (DTA) observed that the current system of surrendering the funds by the budgetary bodies in the form of payment instructions (PI) through e-PEMS are instantly credited in the Government Budget Fund Account (BFA). However, the funds surrendered through cash warrant or demand draft takes time to encash which not only affects the reconciliation of BFA, but also affects the cash management and increases cost through draft charges.

Therefore, the DTA has developed a guideline (*The guideline can be accessed through mof.gov.bt*) that will facilitate the budgetary bodies to deposit the cash payments to the BFA directly. All budgetary bodies shall comply with the notification.

This notification shall come into from 14th October 2022.

OFFTG. DIRECTOR
Officiating Director
Department of Treasury & Accounts
Ministry of Finance



**GUIDELINE FOR DIRECT DEPOSIT IN
GOVERNMENT BUDGET FUND ACCOUNT
BY THE BUDGETARY BODIES**

MINISTRY OF FINANCE
Department of Treasury & Accounts
October 2022

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1. BACKGROUND

The Government Budget Fund Account (BFA) is maintained with Bank of Bhutan Limited (BOBL). The Department of Treasury & Accounts, Ministry of Finance, operates it. The account is used to receive grants, loans, Audit recoveries, public restitution money, and refunds from budgetary bodies. The refunds are made under the broad head '**Payments to DTA**'.

Currently, the budgetary bodies make the following types of payments to DTA:

1. Prior year expenses;
2. Prior year advances;
3. Closing cash balances;
4. Refundable external grants; and
5. Others.

The above payments are made in cash (cash warrant or demand draft) or electronic payment via payment instructions (PI). While the payments made using PI are instantly credited to BFA, the cash warrant/demand draft takes time to get credited into the BFA. This adversely affects the cash management, and it involves additional costs in the form of draft charges.

Therefore, this guideline is developed to facilitate the budgetary bodies to deposit the cash payments to the BFA directly.

2. SCOPE

This guideline shall be applicable to all the budgetary bodies and shall come into effect from 14th October 2022.

3. DIRECT DEPOSIT

The following payments shall be directly deposited into BFA:

- a) prior year expenses,
- b) prior year advances,
- c) closing cash balances,
- d) refundable external grants, and
- e) Others



4. MODE OF DEPOSITS

4.1 Payment Instructions through e-PEMS

The budgetary bodies can make payments to DTA through PI from their respective LC/PLC accounts. The budgetary bodies can use PI to make payment **only** if they have unused closed work.

4.2 Cash Deposits

All cash recoveries pertaining to prior year advances and expenses must be deposited in the BFA in line with Financial Rules and Regulations 2016. The closing cash balance must be deposited in BFA within July of the following financial year.

5. POST DEPOSIT INTIMATION TO DTA

The budgetary bodies must intimate DTA on the deposits made with the following details within the next working day.

5.1 Deposit made through PI

A forwarding letter specifying:

- LC/PLC account number
- Types of payment to DTA
- System generated PI Number
- FIC for the donor funded projects

5.2 Deposit made through Cash

A forwarding letter specifying:

- LC/PLC account number
- Types of payment to DTA
- FIC for the donor funded projects
- Deposit slip duly signed and sealed by the officials of the BOBL

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6. ACKNOWLEDGEMENT

Upon receipt of the intimation from the budgetary bodies, DTA shall verify the bank statement and the information provided. DTA will accordingly acknowledge the receipt of funds in BFA.

7. ACCOUNTABILITY

Non-compliance with the provisions under this guideline and other relevant rules, the finance personnel and the supervisor concerned shall be held accountable.

8. AMENDMENT

This guideline shall be reviewed after six months and amended accordingly if required.

