The Republic of Sierra Leone
Ministry of Finance
Accountant-General’s Department
Treasury Single Account
Operations Manual
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<th>Description</th>
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<tr>
<td>AGD</td>
<td>Accountant-General’s Department</td>
</tr>
<tr>
<td>BB</td>
<td>Budget Bureau of the Ministry of Finance</td>
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<tr>
<td>BSL</td>
<td>Bank of Sierra Leone</td>
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<tr>
<td>CMC</td>
<td>Cash Management Committee</td>
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<tr>
<td>CMU</td>
<td>Cash Management Unit of the Accountant-General Department</td>
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<tr>
<td>COA</td>
<td>Chart of Accounts</td>
</tr>
<tr>
<td>CRF</td>
<td>Consolidated Revenue Fund</td>
</tr>
<tr>
<td>EOD</td>
<td>End of Day</td>
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<tr>
<td>FIFO</td>
<td>First in First out</td>
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<td>FS</td>
<td>Financial Secretary of the Ministry of Finance</td>
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<tr>
<td>G/L</td>
<td>General Ledger</td>
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<tr>
<td>IFMIS</td>
<td>Integrated Financial Management Information System</td>
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<tr>
<td>MDA</td>
<td>Ministries, Departments, Agencies</td>
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<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>PFM</td>
<td>Public Financial Management</td>
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<td>SA</td>
<td>Spending Agency</td>
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<tr>
<td>SAA</td>
<td>Semi-Autonomous Agency</td>
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<td>SVA</td>
<td>Sub-Vented Agency</td>
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<tr>
<td>TSA</td>
<td>Treasury Single Account</td>
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<tr>
<td>ZBA</td>
<td>Zero-Based Account</td>
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</table>
1. Background and Introduction

1.1. Background

The Treasury Single Account enables the optimal utilization of government or institutional cash resources. It enables better, more effective management of cash balances by facilitating monitoring and control at an aggregate level, detached from detailed transaction-level concerns. In practical terms, the Treasury Single Account is a set of linked bank accounts through which the Government can obtain a consolidated view of its cash position at any time and on a continuous basis.

The Treasury Single Account leads to a much more integrated treasury system and provides significant benefits in managing cash resources through: greater financial control, improved monitoring of the cash position, better planning for future requirements, better fiscal reporting, and availability of superior data for budget formulation.

This real time, comprehensive information on Government bank accounts allows the Accountant-General to minimize the amount of idle balances in the banking system resulting in significant cost savings, facilitates expenditure control and financial planning, aids in the formulation of reliable cash flow forecasts, facilitates efficient payment mechanisms, and enhances the efficiency and timeliness of the bank reconciliation process and accounting and fiscal reporting, among other advantages.

In recent years the Ministry of Finance commissioned assessments on current treasury management practices including studies by the International Monetary Fund, Crown Agents, and the United States Treasury Department’s Office of Technical Assistance in pursuit of the most effective and most efficient means of instituting a Single Treasury Account and improving cash management practices for the Republic. A model termed the Central Bank Model was the result of these studies and it is that model which will be the main topic of this manual.

1.2. Aims of this Manual

This manual is intended to be a framework and a guide to the operation of the Treasury Single Account operated by the Accountant-General Department through the Bank of Sierra Leone for the Government of the Republic of Sierra Leone.

2. The TSA’s institutional arrangements

Summaries of all legal citations, regulations, and Memorandums of Understanding surrounding the formation of the Treasury Single Account:

Per the Public Financial Management Act of 2016

Section 5 (1):

(f) manage and control public money through the management of the Treasury Single Account and the planning and forecasting of cash flow;
Section 9 (1)

For the purpose of this Act and any other enactment, the Accountant-General shall be responsible for –

(d) monitoring the operations of the Treasury Single Account

Section 17:

For the purpose of this Act and the Bank of Sierra Leone Act, 2018, the Bank of Sierra Leone shall be responsible for –

(a) opening the main Treasury Single Account and performing other functions relating to the management of the Treasury Single Account in accordance with an arrangement with the Minister concluded under subsection (3) of section 47.

Section 47:

(1) The Minister shall by statutory instrument establish a Treasury Single Account comprising such bank accounts as specified in subsection (2).

(2) The main bank account of the Treasury Single Account shall be opened with the Bank of Sierra Leone, and other bank accounts included in the Treasury Single Account may be opened with the Bank of Sierra Leone and such other financial institutions as may be specified by the Minister.

(3) The Minister shall enter into agreement with the Bank of Sierra Leone in respect of receipt, custody, payment, transmission, and reporting of public money, whether within or outside Sierra Leone, for the purpose of maintenance and management of the Treasury Single Account.

(4) Any bank accounts of budgetary agencies, sub-vented agencies, or other entities in the central government, whether in Sierra Leone or elsewhere, shall not be opened or closed except under the authority of the Minister signified by the Accountant-General, and no bank may open any such account without such authority.

(5) The Minister shall by statutory instrument prescribe –

(a) the scope of bank accounts to be included in the Treasury Single Account;

(b) arrangements, requirements and any other matters necessary for development and management of the Treasury Single Account;

(c) transitional arrangements for development of the Treasury Single Account;

(d) his powers in respect of opening, closure, transfer, and suspension of bank accounts of budgetary agencies, sub-vented agencies, and other entities in the central government; and

(e) any other matters necessary for implementation of this section.

(6) The Minister may require any budgetary agencies, sub-vented agencies, and other entities in the central government to submit to him any information related to their bank accounts.
Per section 3 of the Fiscal Management and Control Act of 2017 and section 23 of the Finance Act of 2019:

1. All monies held in the accounts of agencies of Government shall, on the coming into operation of this Act, be transferred into the Consolidated Revenue Fund.

2. Where in any enactment it is provided that revenues or other monies received by an agency of Government are to be retained by that agency for any purpose including defraying the expenses of that agency, such revenues or other monies shall be paid into the Consolidated Revenue Fund notwithstanding any provisions to the contrary contained in the enactment.

3. Notwithstanding the generality of subsection (2), an agency of Government, specified in the Schedule, shall, on the coming into operation of this Act, pay into the Consolidated Revenue Fund, revenues or other monies received by that agency for and on behalf of the Government.

Schedule

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>The Petroleum Regulatory Agency</td>
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<tr>
<td>2.</td>
<td>The Petroleum Directorate</td>
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<td>3.</td>
<td>The Road Maintenance Fund Administration</td>
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<td>4.</td>
<td>The Environmental Protection Agency</td>
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<td>5.</td>
<td>The National Telecommunications Commission</td>
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<td>6.</td>
<td>The Sierra Leone Maritime Administration</td>
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<td>10.</td>
<td>Pharmacy Board</td>
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<td>11.</td>
<td>Sierra Leone Civil Aviation Authority</td>
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</table>

Memorandum of Understanding (MOU) between the Ministry of Finance and the Bank of Sierra Leone on Treasury Single Account (see Appendix C for the full text of the MOU)

The Ministry of Finance has executed an MOU with the Bank of Sierra Leone to define specific roles and responsibilities of each entity in the management of the Treasury Single Account (TSA) to be housed at the Bank of Sierra Leone.

The TSA as described in this MOU, upon completion of the TSA implementation roll-out, shall consist of the following bank accounts at the Bank of Sierra Leone:

- All Treasury Accounts
- Department Accounts
- Departmental Donor accounts
- Special Fund Accounts, and all others

The bank accounts included in the TSA will be listed in detail and mutually agreed to by the Ministry of Finance. This detail list may be changed at any time upon the agreement of the Ministry of Finance and the Bank of Sierra Leone.

With respect to the Ways and Means of the government the balances of all these bank accounts will be summed to determine the net cash position of the government.
3. TSA’s architecture and process flows

3.1. Architecture

The architecture of the Treasury Single Account adopted by the Government of Sierra Leone is ultimately to have a single bank account at the Bank of Sierra Leone (BSL) to which all revenues or monies collected by the government are deposited and from which all government disbursements are made. When fully implemented, commitment and disbursement control will be handled through the Integrated Financial Management System (IFMIS). In the early phases of implementation, until Sub-Vented Agencies and Semi-Autonomous Agencies can be migrated onto the IFMIS, commitment and disbursement control will be enforced by the TSA processes implemented at the Accountant-General Department and the Bank of Sierra Leone (BSL). The TSA architecture model during these early phases of the TSA Implementation Roadmap is referred to as the “Central Bank Model”.

The attainment of this ultimate architecture shall be accomplished in a phased manner over several years. Four separate Phases have been identified:

1) Migrate all SVA Disbursement Accounts to BSL and rename the Revenue Collection Transit Accounts at the Commercial Banks ‘BSL Treasury Revenue Collection Transit’ Bank Accounts

   The objective of phase one is to place all government non-transit, non-project bank accounts within the control of the Treasury Single Account and to be counted toward the calculation of ways and means and for the calculation of interest owed by the Government to the BSL.

   To achieve this objective, the AGD will:

   (1) Create one Disbursement Bank Account for each Sub-Vented Agency (SVA) at the BSL to be used for disbursement purposes.
   (2) Close all Non-Project Disbursement Bank Accounts for each Sub-Vented Agency (SVA) held at Commercial Banks and move the remaining funds to the new Disbursement Bank Account at the BSL.¹
   (3) Close all SVA Revenue Collection Transit Accounts at the Commercial Banks and re-direct deposits to the appropriate ‘Treasury Revenue Collection’ Sub-Account at the BSL.

   Once these three steps have been accomplished, the AGD and MoF will work with the BSL to move these new bank accounts into the Treasury Single Account (TSA) structure. At the end of this phase of work, the Bank Account architecture of the Government shall be as on the next page:

¹ Any Donor non-project funds received by a Spending Agency for fiscal support purposes shall be deposited into the appropriate Treasury Disbursement Sub-Account (for MDAs) or Disbursement Bank Account (for SAAs and SVAs) and therefore are part of the TSA.
TSA Bank Accounts

Phase 1 – TSA Expansion to Sub-Vented Agencies

Consolidated Revenue Fund (CRF) Bank Account (Treasury Main Account)

- Zero-out Accounts (Annually)

TSA Bank Accounts

GoSL Treasury Single Account at the BoSL

Commercial Banks

MDA 1 Revenue Collection Transit ZBA Bank Account

MDA 1 Donor Funds Bank Account

Third Parties

SVA 1 Disbursement Bank Account

SVA 2 Disbursement Bank Account

SVA 1 collects Revenue and other monies

SVA 2 does not collect Revenue

MDA 1 collects Revenue and other monies

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2) Migrate SVA accounting onto the Integrated Financial Management Information System (IFMIS)
3) Migrate SVA Donor Project Funds accounting onto the IFMIS

TSA Bank Accounts

Phase 3 – Migrate SVA Donor Funds accounting onto IFMIS

Consolidated Revenue Fund (CRF) Bank Account (Treasury Main Account)

- GoSL Treasury Single Account at the BoSL
  - Treasury Revenue Collection Sub-Account 1
  - Zero-out Accounts (Annually)

- SVA-specific TSA Bank Accounts at the BoSL
  - Treasury Revenue Collection Sub-Account n
  - Zero-out Accounts (Annually)
  - Treasury Disbursement Sub-Account n

- Commercial Banks
  - MDA 1 Revenue Collection Bank Account
  - zero-out Accounts (Annually)
  - MDA 1 collects Revenue and other monies

- SVA 1 Donor Funds Bank Account
  - SVA 1 collects Revenue and other monies

- SVA 2 Donor Funds Bank Account
  - SVA 2 does not collect Revenue
4) Donor Project Funds disbursements are made from the Consolidated Revenue Fund in the IFMIS

TSA Bank Accounts

Phase 4 – Donor Funds disbursements are made from the Consolidated Revenue Fund in the IFMIS

Consolidated Revenue Fund (CRF) Bank Account (Treasury Main Account)

Zero-out Accounts (Annually)

Treasury Revenue Collection Sub-Account 1

Zero-out Accounts (Annually)

Treasury Disbursement Sub-Account 1

Zero-out Accounts (Annually)

Treasury Revenue Collection Sub-Account n

Zero-out Accounts (Annually)

Treasury Disbursement Sub-Account n

Zero-out Accounts (Annually)

Treasury Disbursement Sub-Account n+1

MDA 1 collects Revenue and other monies

SVA 1 collects Revenue and other monies

SVA 2 does not collect Revenue

Daily Sweep

Weekly

Third Portion
In addition to the bank account architecture, management of the TSA shall be accomplished through a set of processes across five separate entities:

1. Ministry of Finance (MoF) – Budget Bureau and Cash Management Committee
   
   The Budget Bureau’s role in TSA Management is to establish the quarterly allocations for each Spending Agency (MDA, SVA, or SAA) of the Government and to participate in the Cash Management Committee.
   
   The Cash Management Committee is chaired by the Financial Secretary and its membership includes:
   
   - Bank of Sierra Leone (co-chairing the Committee)
   - The Budget Bureau
   - The Accountant General’s Department
   - The Director responsible for Public Debt
   - The National Revenue Authority
   - Any Other Institutions as may be specified by the Minister of Finance
   - Such other divisions of the Ministry as may be determined by the Minister
   
   Its primary role is to make decisions regarding the Cash Position of the Government and to set disbursement limits per month for each Spending Agency (MDA, SVA, or SAA) of the Government.

2. The Account General Department (AGD) – Cash Management Unit (CMU)
   
   The Cash Management Unit of the Accountant-General Department provides the primary monitoring role in TSA Management. The CMU produces the Cash Forecast described in this document and monitors activities in all Treasury Revenue Collection and Treasury Disbursement Bank Accounts.

3. The Bank of Sierra Leone (BSL)
   
   The role of the BSL is to execute transactions against the Bank Accounts that comprise the Treasury Single Account and to report on these activities to the AGD and the Spending Agencies.
   
   It is also the responsibility of the BSL to reject any payment request from agencies using Disbursement Bank Accounts should the execution of said payment request cause the balance of the Disbursement Bank Account to go negative.

4. Ministries, Sub-Vented Agencies, and Semi-Autonomous Agencies
   
   The role of the individual Agency is to provide the central government with an annual cash plan and to follow the defined policies and procedures with respect to the payment of obligations it has incurred. In addition, for those Agencies that are not on IFMIS, it is the responsibility of the Agency to ensure that it does not overspend its cash allocation within a given period.
Note: Unless otherwise noted, the term “Agency” in this document is meant to include Ministries, Departments, Agencies, Sub-Vented Agencies, and Semi-Autonomous Agencies.

5. The Commercial Banks

The role of the Commercial Banks is to hold funds in Revenue Collection Transit Accounts for a select few MDAs. The Commercial Bank is responsible for sweeping funds from these accounts daily and forwarding the funds to the appropriate Treasury Revenue Collection Sub-Account at the Bank of Sierra Leone.

The interaction of the defined processes across these five entities will be described in the section below. Two interaction diagrams are provided. The first diagram shows the processes as they will be executed during the initial phase of the TSA roll-out. This is called the Central Bank Model. The second diagram shows the processes as they will be executed during the final phase of the TSA roll-out (Phase 4). This is called the IFMIS Model.
TSA IFMIS Model – Phase 4

01. Develop Cash Plan

02. Develop Cash Forecast

03. Set Allocations

04. Manage Cash

05. Determine what to Pay

06. Gain Approvals to Pay

07. Process Funds Transfer

08. Approve PVs

09. Determine what to Pay

10. Gain Approvals to Pay

11. Process Funds Transfer

12. Process Payment Request

13. Report on Transaction Activity

14. Monitor Bank Accounts and Create G/L Entries

15. Adjust Allocations

16. Process Undeliverable Funds Transfer

17. Process Collected Revenue

18. Calculate Ways and Means Interest

19. Reconcile Collections to Receivables

20. Reconcile Bank Accounts

21. Reconcile Bank Accounts

22. Transfer Revenue Collection Sub-accounts to Bank Statements

23. Process Undeliverable Payment Instruction

24. Adjust Allocations

25. Process Undeliverable Funds Transfer

Macro-Economic Gradient

BSL Treasury Revenue
Bank Statements

BSL Treasury Revenue Account

TSA IFMIS Model – Phase 4
AGD MoFED

Commercial Banks and 3rd Parties

Spending Agency

AGD

MoFED

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3.2. Processes

3.2.1. Develop Cash Plan

Responsibility Entity: Spending Agency (MDA, SVA, or SAA)

Overview: Prepare a Cash Plan and send this Cash Plan to the Budget Bureau of MoF and the Cash Management Unit of AGD. This Cash Plan will consist of 52 weeks of expected cash requirements for satisfying the disbursement needs of the Spending Agency (MDA, SVA, or SAA).

Frequency: Annually

Inputs:
- Annual Budget
- Debt Service Schedule
- Executed and Pending multi-year contracts
- Monthly Allocations

Outputs: Cash Plan

Details of the Cash Plan (52 weeks):

1. Expected In-Flows of Cash
   a. Expected Revenue to be collected each week
   b. Expected Fees and other monies to be collected each week
   c. Total Expected Funds to be collected each week (2 + 3)

2. Planned Out-Flows of Cash
   a. Cash required to service debt payments
   b. Cash required to service payroll and pension
   c. Cash Required to service this year’s portion of multi-year contracts
   d. Cash required to purchase goods and services

Detail Processing Steps:

1. Annually, the Spending Agency (MDA, SVA, or SAA) will develop a Cash Plan for the coming fiscal year. This Cash Plan will be developed for each of the 52 weeks of the fiscal year.
   a. For each week covered in the Cash Forecast:
      i. Determine the amount of Revenue expected to be collected
      ii. Determine the amount of Fees expected to be collected
      iii. Determine the amount of Service Debt payments to be made
      iv. Determine the amount to service its payroll and pension
      v. Identify all multi-year contracts in effect during the current year and determine the cash requirements needed to service this contract for the current week
      vi. Determine the amount of cash required to purchase basic goods and services
   b. Review the completed Cash Plan with Spending Agency (MDA, SVA, or SAA) management and gain approval from the Head of the Spending Agency (MDA, SVA, or SAA)
   c. Submit the Approved Cash Plan to the Cash Management Unit of the AGD
2. Quarterly, the Spending Agency (MDA, SVA, or SAA) will update its Cash Plan based on the Monthly Allocations for the next quarter that were set by the CMC.

3.2.2. Set Allocations

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>MoF – Budget Bureau</th>
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</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Provide monthly allocations for the Spending Agencies based on the Cash forecast which will be communicated to the Spending Agencies. (Note: At present, the SVAs receive a full allotment of their Cash Plan as their allocation.)</td>
</tr>
<tr>
<td>Frequency</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Inputs</td>
<td>Cash Plans, Cash Forecast, Quarterly Budget Allocations, Allocations Adjustments</td>
</tr>
<tr>
<td>Outputs</td>
<td>Monthly Allocations</td>
</tr>
</tbody>
</table>

Detail Processing Steps:

1. On a quarterly basis, for the next quarter:
   a. Rationalize the Quarterly Allocations of each Spending Agency (MDA, SVA, or SAA) with the current Cash Forecast provided by the Cash Management Unit of the AGD. Adjust the Quarterly Allocations as necessary to fit within the current Cash Forecast.
   b. For each Spending Agency (MDA, SVA, or SAA) break the Quarterly Allocation into three separate Monthly Allocations.
   c. Review the Monthly Allocations with the individual Spending Agency (MDA, SVA, or SAA).
   d. Adjust the Monthly Allocations based on feedback from the individual Spending Agency (MDA, SVA, or SAA).
   e. Review the Monthly Allocations with the Financial Secretary and the Minister of Finance.
   f. Gain the approval of the Financial Secretary and the Minister of Finance.
   g. Publish the Monthly Allocations for the next quarter to the Spending Agency (MDA, SVA, or SAA) and to the AGD.
   h. Update the IFMIS with the approved Monthly Allocations for the MDAs.

2. On an as need basis, when either the Cash Position of the Government or external macro-economic conditions dictate, adjust the Monthly Allocations and publish these adjusted Monthly Allocations to the Spending Agency (MDA, SVA, or SAA) and to the AGD.

3.2.3. Develop Cash Forecast

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>AGD – Cash Management Unit (CMU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Determine the total amount of “Funds Available for Discretionary Payments” based on the Cash Forecast for the remaining weeks of the</td>
</tr>
</tbody>
</table>
current quarter.

**Frequency**  Weekly

**Inputs**  Cash Plans

**Outputs**  Cash Forecast

**Detail Processing Steps:**

To prepare the weekly templates for Cash Flow Forecasting for discussion at the Cash Management Committee meetings, a quarterly template for 13 weeks forecast is prepared which has a Snap Shot of Revenues, Expenditures, Financing and Payment of Stocks. The following steps are followed:

**Revenues**

1. Data is collected from NRA for the different revenue stream for the quarter.
2. The different figures provided are rationed to suit the NRA target for the week and spread for the 13 weeks period for which the forecast is prepared.
3. After the template is ready, a column for actual is maintained were the actual figures for each week forecast is arranged against the forecast. (see Revenue collection above)
4. Reconciliation is done with NRA to reflect the actual revenue figures either on a weekly basis or monthly basis.

**Expenditures**

Expenditures are divided into Discretionary and Non-discretionary payments for ease of processing. Non-discretionary payments are those which are priority like salaries, domestic interest, external debts and any other payments deemed as priority. Steps are as followed:

**Non-Discretionary Expenditures**

1. Salaries consist of salary advances, pension and gratuity, NASSIT and MDAs Salaries.
2. Domestic interest payments actual received from BSL which comprises of interest from Treasury bills of 91,182 and 364 days, Treasury Bearer Bond interest, commissions on interest transactions. These are cumulated to have a total interest figure.
3. External debts are paid on timeline basis; the only factor to consider is the exchange rate difference. The time of preparing the forecast there is a different rate used as to the time of payments. Therefore, analysis is made with the actual figures to compare with the forecast figures.
4. Other priority payments are decided by the Minister or the FS.

**Discretionary Expenditures**

Payments under this category are paid when funds are available after all non-discretionary payments have been satisfied. These payments will be categorized as roll-over payments for previous year disbursements and current year payments.
Financing
The Financing aspect of the forecast deals with borrowing from the domestic market which includes Treasury Bills and Treasury Bearer Bonds. An estimate of what is expected to be borrowed is schedule on an auction calendar which runs for 13 weeks period in each quarter. The steps for recording this are as follows:
1. Input the borrowing figures estimated on the template based on the borrowing calendar only on weeks that they agree to borrow.
2. Estimate how much will hit the CRF after the borrowing cost has been taken into account. (for e.g. week ending 12th June we are to borrow Le 20bn but the actual amount to hit the CRF would be 75% of the amount borrowed)
3. Compare the estimate to the actual and see if there is over subscription or under subscription.
4. Take into account when maturity / redemption occurs and record it on the actual column of the borrowing to hit the CRF.

Payment Stock
This aspect of the forecast templates brings together total commitment of government stock with AGD and BSL that has been processed but not paid. There are four main columns in this sheet of the template which are Payroll at AGD, Cheques Payables at AGD, Cheques in Hand at AGD and Cheques in Hand at BSL.

Under each column the rows are split into Salaries, Capital and Development Expenditures, Recurrent Expenditures and External Debts payments which are subdivided into previous year and current year payments. Steps to input the figures are as follows:
1. Payroll data is derived from Payroll unit at AGD which is entered on the payment of stock to reflect the month for which the payroll is to be paid. Note the payroll figures under expenditure sheet is for the quarter that the forecast is prepared for, so it is advisable we use the figures that relate to the month or week for which the template is prepared.
2. Cheques Payables data is also gathered from AGD and is analyzed into the headings under the rows in this column.
3. Cheques in Hand data is also gathered from AGD and is analyzed into the headings under the rows in this column.
4. Cheques in Hand at BSL data is from the cheques analysis from BSL which is analyzed into the categories as stated on the rows under this heading.

Calculation of Weekly Revenue Collections from Revenue Treasury Accounts
To prepare the revenue weekly collection on the excel templates, the following steps are to be followed:
1. Collect Daily Revenue Statement Summary from BSL (hard Copy)
2. Input daily balance figure for each treasury accounts in the Excel spread sheet template
3. Add the 5-day figure to ascertain the Weekly Cumulative Balance
4. Add previous week Year-to-Date balance to Current Week Cumulative Balance to ascertain Current Year-to-Date balance
5. Compare Current Year-to-Date balance with BSL Ledger balance to verify accuracy
6. Compare total daily figure with Target to ascertain Surplus of Deficit

Note: Always indicate when an official holiday is declared and no revenue is collected for that day
Calculation of Weekly Government Accounts Balances at Commercial Bank and Bank of Sierra Leone

To prepare the weekly template for government accounts balances in Commercial banks and Bank of Sierra Leone, the following steps are followed:

1. Received government accounts balances from various commercial banks through hard and soft copies.
   a. If hard copies are received through the mails the following steps are taken;
      i. Calculate the total amount if not stated
      ii. Count the total number of accounts
      iii. Separate the NRA balances including any foreign currency from the other balances
      iv. Separate the various currencies if not separated
   b. Soft copies are received through the email: agdeptsI@gmail.com and the following steps are taken:
      i. Save it in the drive in the bank folder
      ii. Calculate the total amount if not stated
      iii. Count the total number of accounts
      iv. Separate the NRA balances including any foreign currency from the other balances
      v. Separate the various currencies if not separated

2. Calculate the Treasury Accounts balance by:
   - Adding the Ways and Means figure with the Ledger balance in the Daily Summary Report from Bank of Sierra Leone

3. Get the Bank of Sierra Leone departmental balances from the “Other govt Account drive”, Check for the NASSIT figure therein and show as “of which NASSIT”

4. Insert all figures generated into the Excel Template

3.2.4. Manage Cash

Responsible Entity   AGD – Cash Management Committee (CMC)

Overview   Based on the “Funds Available for Discretionary Payments” in the Cash Forecast and the current quarter’s aggregate credit limit (allocations) for all Spending Agencies (Central Government and SVAs), the CMC shall determine how to manage any cash shortage. One way to manage this shortage is to borrow funds, another mechanism is to adjust the credit limits (allocations) for MDAs for the remaining weeks of the quarter to eliminate the cash shortage.

Frequency   Weekly

Inputs   Cash Forecast
         Bank Account Balances and SVA Reserve Amounts
         Quarterly Budget Allocations
         Monthly Allocations

Outputs   Cash Reserves
          Funds Transfer Request
Detail Processing Steps:

1. Receive the Cash Forecast for the quarter (see Process 3.2.3 Develop Cash Forecast)
2. Receive the Quarterly Allocations from the IFMIS system
3. Receive Monthly Allocations from the MoF (see Process 3.2.2 Set Allocations)
4. Receive the Bank Account Balances (from the Process 3.2.15 Monitor Bank Accounts and Create G/L Entries)
5. Determine solutions for all cash shortfalls by comparing the aggregate allocations for all Spending Agencies against the Funds Available for Discretionary Payments on the Cash Forecast
6. Determine an amount of cash to reserve for contingencies and post this ‘Cash Reserve’ to the IFMIS.
7. Every month, for each SVA, create a Funds Transfer Request based on the allocation for the month, the available cash. If the SVA is a revenue generating SVA, its performance of meeting its Revenue projections for the current quarter is also factored into the amount of funds transferred.

3.2.5. Approve Payment Vouchers

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>SVAs and SAAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Process and approve payment vouchers within its own accounting system for SVAs and SAAs.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Daily</td>
</tr>
<tr>
<td>Inputs</td>
<td>Unapproved Payment Voucher Proof of Receipt of Goods or Completion of Services</td>
</tr>
<tr>
<td>Outputs</td>
<td>Approved Payment Voucher</td>
</tr>
</tbody>
</table>

Detail Processing Steps

1. Receive proof of receipt of Goods or proof of completion of Services
2. Match this proof to an Unapproved Payment Voucher.
3. Submit the two to the appropriate approving parties for consideration
4. Receive the approval and mark the Payment Voucher as approved.

3.2.6. Prioritize Payments

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>SVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Review its list of approved payment vouchers and identify those vouchers that it wishes to pay.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Daily</td>
</tr>
<tr>
<td>Inputs</td>
<td>Approved Payment Voucher Disbursement Account Bank Statement Corrected Payment Instruction Payment Transactions Not Processed</td>
</tr>
</tbody>
</table>
Outputs

Prioritized List of Payments

Detail Processing Steps

1. The SVA will receive a Disbursement Account Bank Statement from the BSL that lists all Payment Vouchers received by the BSL from this SVA during the previous business day.
   a. For every transaction on the report that has been marked as ‘Cleared’, The SVA will likewise mark the Payment Voucher as ‘Cleared’ in its records.
   b. For every transaction on the report that has been marked as ‘Undeliverable’, the SVA will determine if a Corrected Payment Instruction has been noted (see Process 3.2.14 Process Undeliverable Funds Transfer). If a Corrected Payment Instruction has been noted, the Payment Voucher may be re-submitted in the next batch of payments sent to the BSL.
   c. For every transaction on the report that has been marked as ‘In Process’, the SVA needs to do nothing further with the associated Payment Voucher. It must not be re-submitted to the BSL.
2. On occasion, the SVA may receive a notification that a payment requested by the SVA has been denied via the Payment Transactions Not Processed input flow. This will occur when a payment request is greater than the Current Balance of the SVA’s Disbursement Account. The SVA will place this Payment Voucher back into the queue of approved but unpaid payment vouchers.
3. At a pre-defined cut-off time during the day, the SVA shall gather all Payment Vouchers marked ‘Approved’ and determine the relative priority for payment of each ‘Approved’ Payment Voucher. The relative priority of an Approved Payment Voucher is determined by the Approval Date/Time of the Payment Voucher in a FIFO manner; that is, Payment Vouchers will be paid in the order that the payment vouchers were approved. Note: those Payment Vouchers that were previously sent to the BSL for payment but were returned to the SVA as ‘Undeliverable’ should be placed at the top of the priority list.
4. Using the prioritized list of ‘Approved’ Payment Vouchers, the SVA will determine, based on the Current Balance of the Disbursement Account, which ‘Approved’ Payment Vouchers will be sent to the BSL for payment.
5. The list of PVs to be paid is then sent to the process that sends these PVs to the BSL (see Process 3.2.07 Request Payment).

3.2.7. Request Payment

Responsible Entity

SVA

Overview

Print the Cheques along with detail payment instructions for all the Payment Vouchers to be paid today and sends these Cheques and Payment Instructions (or electronic file) to the Central Bank. Note the payments listed on the Payment Instructions are in priority sequence (FIFO) and are to be paid in that order.

Frequency

Daily

Inputs

Prioritized List of Payments
Outputs: Cheques and Payment Instructions

Detail Processing Steps:

1. For each PV on the Prioritized List of Payments provided from Process 3.2.6 Prioritize Payments, the SVA will:
   a. Print a check
   b. Add the item to the Payment Instructions
   c. Mark the PV as ‘Payment In Process’

2. When all PVs on the Prioritized List of Payments have been processed, the SVA will transmit (or send manually) the Cheques and the Payment Instructions to the BSL.

3.2.8. Approve Payment Vouchers

Responsible Entity: MDAs

Overview: Process and approve payment vouchers within the IFMIS.

Frequency: Daily

Inputs:
- Unapproved Payment Voucher
- Proof of Receipt of Goods or Completion of Services

Outputs: Approved Payment Vouchers, Cheques, and Payment Instructions

Detail Processing Steps:

1. Receive proof of receipt of Goods or proof of completion of Services
2. Match this proof to an Unapproved Payment Voucher.
3. When the Monthly Allocation in IFMIS has not been reached
   a. Submit the two to the appropriate approval hierarchy for the MDA for consideration
   b. Receive the approval and mark the Payment Voucher as approved.
   c. Print the Cheque and send it, the Payment Voucher, and the Payment Instructions to the AGD.

3.2.9. Determine What to Pay

Responsible Entity: AGD

Overview: Based on the funds available for payments, review the backlog of pending Cheques in hand to determine which of those will be sent to the BSL for payment.

Frequency: Weekly

Inputs:
- Approved Payment Vouchers, Cheques, and Payment Instructions
- Funds Available for Payments Notification

Outputs: Prioritized List of Payments
Detail Processing Steps

1. On a weekly basis, following the decisions by the Cash Management Committee, the AGD will be given a notification of the amount of Funds that have been released to satisfy current obligations. Upon receiving this notification, the AGD will determine which Cheques to submit to the BSL for payment. To do this the AGD will:
   a. Review any Payment Vouchers received by the AGD from MDAs, via the ‘Payment Vouchers’ input, and determine the Priority Level of each. Once the Priority Level has been determined, mark these cheques as “Ready for Payment”
   b. Review the Cheques currently being processed at the BSL and the AGD. (These are cheques (called “Cheques in Hand”) that have been previously released but have not yet cleared the processing queue at the BSL or are being held at the AGD until the backlog at the BSL has been cleared. Reduce the ‘Funds Available for Payments’ by the total amount of Cheques in Hand at the BSL and Cheques in Hand at the AGD.
   c. Determine how the remaining “Funds Available for Payments” will be distributed across the Payment Vouchers marked “Ready for Payment”.
   d. Pull the Payment Vouchers to be paid, mark these Payment Vouchers as “Ready for Payment, Awaiting Approval”, hold these Payment Vouchers, and send a Prioritized List of Payments to the MoF for approval.

3.2.10. Gain Approval to Pay

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>AGD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Submit the list of Cheques to be paid to the Financial Secretary and the Minister of Finance for their review and approval.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Daily</td>
</tr>
<tr>
<td>Inputs</td>
<td>Prioritized List of Payments</td>
</tr>
<tr>
<td>Outputs</td>
<td>Cheques and Payment Instructions</td>
</tr>
</tbody>
</table>

Detail Processing Steps

1. Send the Prioritized List of Payment to be paid to the FS/Minister of Finance for approval
2. Send Cheques and Payment Instructions to the BSL. (Note: This will be replaced by an automated interface between the AGD and the BSL.)

3.2.11. Process Funds Transfer

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>BSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>For SVAs and SAAs only, the Bank of Sierra Leone will receive a Funds Transfer Request from the AGD to transfer monies from the Treasury Main Account to the SVA or SAA’s Disbursement Account. The BSL will execute this funds transfer request and document the transfer by capturing a Funds Transfer Transaction (to be included in the report generated by</td>
</tr>
</tbody>
</table>
Process 3.2.9 Report on Transaction Activity).

Frequency Monthly
Inputs Funds Transfer Request
Outputs Funds Transfer Transaction

Detail Processing Steps

1. Upon receipt of a Funds Transfer Request from the AGD, the BSL will:
   a. Execute a transfer of funds transaction from the Treasury Main Account to the identified SVA or SAA’s Disbursement Account
   b. Document the transfer in a Funds Transfer Transaction in both the Treasury Main Account and the SVA or SAA’s Disbursement Account.

3.2.12. Process Payment Request

Responsible Entity BSL

Overview Process the payments listed on the Payment Instructions. Note: IFMIS prevents making payments over and above the allocated amounts in the system for all Spending Agencies who process payables through it by stopping the processing of payment to the BSL when the current period’s allocation has been exhausted. For those Spending Agencies not on IFMIS, it is expected that the payables systems they use will similarly prevent the submission of Payment Vouchers that will result in an insufficient funds situation.

Frequency Daily
Inputs Cheques and Payment Instructions
Funds Transfer Transaction Acknowledgement
Outputs Funds Transfer Transaction
Transactions
Undeliverable Payment Instruction
Payment Transactions Not Processed

Detail Processing Steps

For Spending Agencies not on IFMIS (SVAs and SAAs)

For each Payment Voucher on the Payment Instructions, the BSL will:

1. Compare that Payment Voucher’s payment amount to the Current Balance of the Disbursement Account.
2. If the Payment Voucher payment amount is greater than the Current Balance, the BSL shall return the payment request to the SVA and notify the SVA that there are insufficient funds to process the payment request.
3. If the Payment Voucher payment amount is less than or equal to the Current Balance, the BSL will:
a. Process a “Transfer funds” transaction via the clearing system to the Beneficiary Account (based on the routing number and bank account number provided by the Payment Instructions).

b. Record the transfer in the BSL’s banking system and mark the payment as ‘EFT in process’.

c. Receive an acknowledgement message from the clearing system.
   i. If the acknowledgement indicates successful processing, the BSL
      1. Marks the payment transaction as ‘cleared’ in its banking system.
      2. Reduces the Current Balance of the Disbursement Account.
   ii. If the acknowledgement indicates unsuccessful processing, the BSL
      1. Marks the payment transaction as ‘undeliverable’ in its banking system.
      2. Returns the Payment Instruction for that line item back to the SVA or SAA marked as “Undeliverable”

For Spending Agencies on IFMIS (MDAs)

For each Payment Voucher on the Payment Instructions, the BSL will:

1. Process a “Transfer funds” transaction via the clearing system to the Beneficiary Account (based on the routing number and bank account number provided by the Payment Instructions).

2. Record the transfer in the BSL’s banking system and mark the payment as ‘EFT in process’.

3. Receive an acknowledgement message from the clearing system.
   a. If the acknowledgement indicates successful processing, the BSL
      i. Marks the payment transaction as ‘cleared’ in its banking system.
      ii. Reduces the Current Balance of the Disbursement Account.
   b. If the acknowledgement indicates unsuccessful processing, the BSL
      i. Marks the payment transaction as ‘undeliverable’ in its banking system.
      ii. Returns the Payment Instruction for that line item back to the MDA marked as “Undeliverable”

3.2.13. Report on Transaction Activity

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>BSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Produce a bank statement and send to the Spending Agency (MDA, SVA, or SAA) and to the AGD.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Daily</td>
</tr>
<tr>
<td>Inputs</td>
<td>Transactions</td>
</tr>
<tr>
<td>Outputs</td>
<td>Disbursement Account Bank Statements</td>
</tr>
</tbody>
</table>

Report Details:

Detail Information on each of the Disbursement Account Bank Statements

1. BSL Bank Account Number
2. Current Balance prior to the Beginning Transaction
3. Each Payment Request processed will have
   a. BSL Transaction Control Number
   b. BSL Transaction Processed Date and Time
   c. SVA or SAA Payment Voucher Control Number
   d. Payee
   e. Payee bank routing number
   f. Payee bank account number
   g. Payment Amount
   h. Status (Cleared, Undeliverable, EFT In Process)
4. Current Balance after the Ending Transaction

Detail Processing Steps

1. At the end of the business day, after all transactions received from the Spending Agencies have been posted to the banking system, the BSL shall retrieve all Disbursement Bank Accounts.
2. For each Disbursement Bank Account:
   a. Retrieve the “Last Transaction Processed Date” associated with the Bank Account.
   b. Retrieve all transactions processed after the “Last Transaction Processed Date”
   c. Sort the Transactions retrieved by BSL Transaction Processed Date and Time
   d. Produce the Bank Statement
   e. Send the Bank Statement to the AGD (see Process 3.2.15 Monitor Bank Accounts and Create G/L entries) and, if the Disbursement Account was specific to a single SVA or SAA, to the SVA or SAA (see Process 3.2.6 Prioritize Payments)
   f. Save the BSL Transaction Processed Date and Time of the last Transaction processed and shown on this report as the “Last Transaction Processed Date” and associate this date with the Bank Account.

3.2.14. Process Undeliverable Funds Transfers

   Responsible Entity: SVA

   Overview: Review the Undeliverable Payment Instruction, investigate reason for the non-delivery, and correct the payment instructions for the vendor.

   Frequency: Daily

   Inputs: Undeliverable Payment Instruction

   Outputs: Corrected Payment Instruction

   Detailed Steps

   1. Receive an Undeliverable Payment Instruction notification from the BSL
   2. Research the reason for the non-delivery. This might be because the Bank Account number is wrong, or the Bank Account is closed, or the Bank Routing Number is incorrect.
   3. Correct the Payment Instruction information in the SVA’s systems
   4. Mark the Payment Voucher as ‘Approved’ in its records.
5. Send a notification to Process 3.2.6 Prioritize Payments that the Payment Voucher’s Payment Instructions have been corrected and the Payment Voucher may be re-submitted to the BSL for payment.

3.2.15. Monitor Bank Accounts and Create G/L Entries

<table>
<thead>
<tr>
<th>Responsible Entity</th>
<th>AGD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview</td>
<td>Record in IFMIS the G/L entries documenting the movement of all funds transferred in the previous day. Additionally, the AGD shall monitor the SVA’s spending against the period’s allocation.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Daily</td>
</tr>
<tr>
<td>Outputs</td>
<td>Bank Account Balances SVA Reserve Amounts</td>
</tr>
</tbody>
</table>

**Detail Processing Steps:**

1. Upon receipt of the ‘Treasury Revenue Collection Sub-Account Bank Statements’ from the BSL, the AGD will:
   a. Create a G/L entry for each Treasury Revenue Collection Sub-Account that has had activity during the current period.
   b. Post the G/L entries
c. For Treasury Revenue Collection Bank Accounts associated with SVAs that generate revenue, the AGD will calculate the amount of the deposit that needs to be ring-fenced (or Reserved) so as not to be used by the government to satisfy general obligations. It will then send this ‘SVA Reserve Amount’ to the MoF (see Process 3.2.24 Adjust Allocations).

2. Upon receipt of the SVA Disbursement Account Bank Statements and the Treasury Disbursement Sub-Account Bank Statements, the AGD will:
   a. Aggregate the Disbursement Amount and the Month-to-Date (MTD) Disbursement Amount for each Spending Agency (MDA, SVA, or SAA) to create a new MTD Disbursement Amount
   b. Compare the new MTD Disbursement Amount against the current allocation for the current month
      i. Based on the day of the month, the AGD will determine if the Spending Agency (MDA, SVA, or SAA) ’s spending for the month is on pace with the allocation.
      ii. If the Spending Agency (MDA, SVA, or SAA) ’s disbursement pace exceeds the expected spending through the current day of the month, the AGD will dialogue with the Spending Agency (MDA, SVA, or SAA) to determine if there
is a problem with the current allocation. If there is, then the AGD will interact with the MoF Budget Bureau to determine if the allocation needs to be adjusted (see Process 3.2.24 Adjust Allocations)

3. Upon receipt of the ‘Aggregate Cash Position of the Government’ and the ‘Interest Due’ notifications from the BSL, the AGD will:
   a. Verify the ‘Aggregate Cash Position of the Government’ received from the BSL by calculating its own Cash Position figure from the Bank Statements of all the Bank Accounts included in the TSA.
   b. If the Cash Position calculated matches the ‘Aggregate Cash Position of the Government’ received from the BSL and that Cash Position is negative, then the AGD will create a G/L entry recognizing the ‘Interest Due’ in the Government’s General Ledger
   c. If the Cash Position calculated DOES NOT match the ‘Aggregate Cash Position of the Government’ received from the BSL and that Cash Position is negative, then the AGD will dialogue with the BSL to discuss the variance

4. The AGD will reconcile all TSA Bank Accounts

5. The AGD will summarize the disbursements for all Spending Agencies and forward the ‘Summary of Payments for all Spending Agencies’ report to the MoF Budget Bureau (see Process 3.2.24 Adjust Allocations)

6. The AGD will send the Bank Account Balances and Reserve Amounts to the AGD – Cash Management Committee (see Process 3.2.4 Manage Cash)

3.2.16. Sweep Revenue Collection Transit Accounts

Responsible Entity: Commercial Bank

Overview: At a time on every business day, agreed between BOSL/MOF, each Commercial Bank will sweep all the Revenue Collection Accounts open in its bank and forward the collected funds to the BSL via an EFT for depositing into the CRF. Any funds collected after 3pm must be sent to the BSL for processing by noon of the next day.

Frequency: Daily

Inputs:
- Funds deposited by Third Parties
- Sweeping EFT Acknowledgement

Outputs:
- Sweeping EFT
- BSL Treasury Revenue Account Bank Statement

Detail Processing Steps

1. At 3:00pm every business day, for each Revenue Collection Transit Accounts held at the Commercial Bank
   a. Retrieve all deposit transaction for the current day
   b. Determine the total amount deposited
   c. Create an EFT transaction for the total amount deposited and send it to the BSL via the Clearing System
   d. Receive an EFT acknowledgement from the Clearing System
i. If the EFT acknowledgement from the Clearing System indicates that the EFT was successful
   1. Mark all transactions included in the EFT transfer as ‘Transferred to BSL’

ii. If the EFT acknowledgement from the Clearing System indicates that the EFT was NOT successful
   1. Investigate transmission failure
   2. Correct cause of failure
   3. Re-create EFT transaction if data was the cause
   4. Re-transmit EFT and go to step 1.d

2. Between 9:00am and Noon every business day, for each Revenue Collection Transit Accounts held at the Commercial Bank
   a. Retrieve all deposit transaction for the previous day not marked as ‘Transferred to BSL’
   b. Determine the total amount deposited
   c. Create an EFT transaction for the total amount deposited and send it to the BSL via the Clearing System
   d. Receive an EFT acknowledgement from the Clearing System
      i. If the EFT acknowledgement from the Clearing System indicates that the EFT was successful
         1. Mark all transactions included in the EFT transfer as ‘Transferred to BSL’
      ii. If the EFT acknowledgement from the Clearing System indicates that the EFT was NOT successful
          1. Investigate transmission failure
          2. Correct cause of failure
          3. Re-create EFT transaction if data was the cause
          4. Re-transmit EFT and go to step 2.d

3.2.17. Process Collected Revenue

   Responsible Entity: BSL

   Overview
   The BSL shall receive EFT transactions from individual Commercial Banks that sweep all of monies in such Revenue Collection Transit Bank Accounts and forward these monies to the appropriate Treasury Revenue Collection Account. In addition, direct deposit transactions from 3rd Parties will be made to the Treasury Revenue Collection Bank Accounts.

   The BSL will execute these EFT transactions and then produce a Bank Statement for each Treasury Revenue Collection Bank Account and forward these bank statements to the AGD (see Process 3.2.15 Monitor Bank Accounts and Create G/L Entries).

   In the future solution, the transfer of funds from Commercial Bank Revenue Collection Accounts to the CRF shall happen in real-time when the deposit into the Revenue Collection Account occurs.

   Frequency: Daily

   Inputs: Deposit EFT
Sweeping EFT

Outputs
Treasury Revenue Collection Bank Statements

Detail Processing Steps

1. Upon receipt of an EFT Transaction from the Clearing System for a Commercial Bank regarding a Revenue Collection Transit Account:
   a. Execute the transfer of funds in the Banking Systems for the Treasury Revenue Collection Account deposit
   b. Capture the EFT Transaction ID, Date/Time of the EFT Receipt, the Name of the Commercial Bank, the Name of the Revenue Collection Transit Account, and the Amount Deposited for use on the Treasury Revenue Collection Bank Statement.
2. Upon receipt of a Deposit EFT from the Clearing System for a 3rd Party:
   a. Execute the transfer of funds in the Banking Systems for the Treasury Revenue Collection Account deposit
   b. Capture the EFT Transaction ID, Date/Time of the EFT Receipt, the Name of the Commercial Bank, the Name of the Revenue Collection Transit Account, and the Amount Deposited for use on the CRF Deposit Advice.
3. At the end of the day, send all Treasury Revenue Collection Bank Statements to the AGD (see Process 3.2.15 Monitor Bank Accounts and Create G/L Entries) and to the MoF Budget Bureau (see Process 3.2.24 Adjust Allocations).

3.2.18. Calculate Ways and Means Interest

Responsible Entity BSL

Overview
As part of the Memorandum of Understanding (MOU) signed between the Ministry of Finance and the Bank of Sierra Leone, the Government agrees to pay the BSL an overdraft fee when the aggregate balance of all Bank Accounts included in the TSA is negative. This determination will occur at the end of the day following the processing of all transactions against these Bank Accounts.

Frequency Daily

Inputs
Treasury Main Account Bank Statement
Disbursement Bank Account Bank Statements
Treasury Revenue Collection Bank Statements

Outputs
Aggregate Cash Position of the Government
Interest Due

Detail Processing Steps

1. At the end of day, the BSL will use the Current Balance from the Bank Statement of each Bank Account included in the TSA to determine the cash position of the Government.
2. If the Aggregate Cash Position of the Government is positive, the Interest Due is set to SL 0.
3. If the Aggregate Cash Position of the Government is negative, the Interest Due is calculated based on the calculation defined in the MOU.
4. The BSL sends the Aggregate Cash Position of the Government and the Interest Due to the AGD (see Process 3.2.15 Monitor Bank Accounts and Create G/L Entries).

3.2.19. Reconcile Collections to Receivables

**Responsible Entity**  
MDA

**Overview**  
At the end of day, the MDA will reconcile the Revenue Collected to the open Receivables.

**Frequency**  
Daily

**Inputs**  
BSL Treasury Revenue Bank Statements

**Outputs**  
Reconciliation Report

**Detail Processing Steps**

1. At the end of the day, the MDA will retrieve the Bank Statement of the BSL Treasury Revenue Bank Account.
2. The MDA will reconcile the transactions on the Bank Statement to the Open Receivables in the IFMIS

3.2.20. Reconcile Collections to Receivables

**Responsible Entity**  
SVA

**Overview**  
At the end of month, the SVA will reconcile the Bank Statement of the Disbursement and Revenue Collection Bank Accounts for which it is responsible.

**Frequency**  
Daily

**Inputs**  
Treasury Main Account Bank Statement  
Disbursement Bank Account Bank Statements

**Outputs**  
Reconciliation Report

**Detail Processing Steps**

1. At the end of the day, the MDA will retrieve the Bank Statement of the Treasury Revenue Collection Bank Account at the BSL.
2. The MDA will reconcile the transactions on the Bank Statement to the Open Receivables in the IFMIS

3.2.21. Reconcile Bank Accounts

**Responsible Entity**  
MDA

**Overview**  
At the end of month, the MDA will reconcile the Bank Statement of the Revenue Collection and Disbursement Sub-Accounts for which it is
responsible.

Frequency       Monthly

Inputs          BSL Treasury Revenue Bank Statement
                Disbursement Sub-Account Bank Statements

Outputs         Reconciliation Report

Detail Processing Steps

1. At the end of month, the MDA will reconcile the Bank Statement of the Revenue
   Collection and Disbursement Sub-Accounts for which it is responsible.
2. Send the Reconciliation Report to the AGD.

3.2.22. Reconcile Bank Accounts

Responsible Entity  SVA

Overview          At the end of month, the SVA will use reconcile the Bank Statement of the
                  Disbursement and Revenue Collection Bank Accounts for which it is
                  responsible.

Frequency         Monthly

Inputs            Treasury Revenue Collection Bank Statements
                  Disbursement Bank Account Bank Statements

Outputs           Reconciliation Report

Detail Processing Steps

1. At the end of month, the SVA will use reconcile the Bank Statement of the
   Disbursement and Revenue Collection Bank Accounts for which it is responsible.
2. Send the Reconciliation Report to the AGD

3.2.23. Process Undeliverable Funds Transfers

Responsible Entity  MDA

Overview          Review the Undeliverable Payment Instruction, investigate reason for the
                  non-delivery, and correct the payment instructions for the vendor.

Frequency         Daily

Inputs            Undeliverable Payment Instruction

Outputs           Corrected Payment Instruction

Detailed Steps
1. Receive an Undeliverable Payment Instruction notification from the BSL
2. Research the reason for the non-delivery. This might be because the Bank Account number is wrong, or the Bank Account is closed, or the Bank Routing Number is incorrect.
3. Correct the Payment Instruction information in the IFMIS
4. Mark the Payment Voucher as ‘Approved’ in its records.
5. Send a notification to Process 3.2.12 Process Payment Request at the BSL notifying the BSL that the Payment Voucher’s Payment Instructions have been corrected and the Payment Voucher may be paid.

3.2.24. Adjust Allocations

Responsible Entity: MoF – Budget Bureau

Overview: Adjust the Allocation for a single MDA, SVA, or SAA or Allocations for multiple Spending Agencies (SVAs, SAAs or MDAs). This could be due to unforeseen changes in Macro-economic conditions or historical spending habits of one or more Spending Agencies.

Frequency: As Needed

Inputs:
- Cash Forecast
- SVA Reserve Amounts
- Change affecting Credit Limits (Allocations)

Outputs: Cash Limits (Allocations) Adjustment

Detail Processing Steps:
1. When demanded by either external macro-economic conditions or the Government’s cash position as depicted in the current Cash Forecast provided by the Cash Management Unit of the AGD, the Cash Management Committee will review the current and future Quarterly and Monthly Allocations.
2. Adjust these allocations to resolve the conflict between the cash shortfall and the allocations
3. Review the adjusted allocations with the Financial Secretary and the minister of Finance and gain their approval.
4. Send the adjusted allocations to the Spending Agencies and the AGD.
Appendix A – Treasury Circulars
Appendix B – Forms and report templates
Appendix C – Memorandum of Understanding between MoF and BSL

MEMORANDUM OF UNDERSTANDING BETWEEN THE MINISTRY OF FINANCE AND THE BANK OF SIERRA LEONE ON THE OPERATIONALISATION OF THE TREASURY SINGLE ACCOUNT (TSA)

WHEREAS the Bank of Sierra Leone Act, 2011 Section 53 designates the Bank of Sierra Leone as the sole custodian of state funds both in and out of Sierra Leone and defines the relationship between the Government of Sierra Leone and the Bank of Sierra Leone.

WHEREAS the Bank of Sierra Leone Act, 2011 Section 56 allows the Bank of Sierra Leone to make loan and advances to the Government of Sierra Leone on overdraft or in such other form as the Bank’s Board may determine, and this could be through the main cash account.

WHEREAS the said Section 56 further defines the relationship as it relates to the circumstances, size of the overdraft and terms of repayment and sets the limits on lending to the Government of Sierra Leone and allows the Bank to grant the Government intra-day credit to ensure the smooth functioning of the payment system.

WHEREAS the Ministry of Finance, on behalf of the Government of Sierra Leone, is desirous of establishing the modalities for the operationalisation of the Treasury Single Account (TSA) with the Bank of Sierra Leone in order to contribute to the cost-effective and quality management of the Government’s cash management strategy.

IN FURTHERANCE OF the development of a TSA through linking Government bank accounts in the Bank of Sierra Leone (BSL), the commercial banks and eventually to donor funded projects bank accounts.

AND WHEREAS the creation of a TSA could lead to significant reductions in domestic bank financing and guide Government in budget execution and ease of monitoring in the utilization of public funds in Ministries, Departments and Agencies.

NOW THEREFORE IT IS HEREBY MUTUALLY AGREED between the Parties as follows:

- All cash in Government accounts in the BSL and in the Sub-Treasury Accounts in commercial banks belongs to Government.
• The TSA ensures comprehensive coverage to include cash balances of all government entities—both budgetary and extra budgetary resources—allowing full consolidation of government resources.
• The TSA may be overdrawn provided that a minimum balance of the equivalent of 5% of actual domestic revenues from the previous year, excluding the proceeds of privatisation, shall be maintained within the TSA and all linked accounts at all times.
• Unified Government banking arrangements to enable the Ministry of Finance to exercise treasury oversight of government cash flows in and out of bank accounts designated under the MOU and allow cross-funding of all cash resources.
• No other Government agency shall operate bank accounts outside the oversight of the Office of the Accountant General and Ministry of Finance.
• Government obligation to pay should not be pre-funded beyond the statutory limit as specified in the BST Act 2011 or any subsequent Act governing BST.
• There is a distinct difference between available cash and available budget.

The TSA shall be comprised of the following account types located within the Bank of Sierra Leone as well as the NRA trust accounts in the commercial banks, which have been converted into sub-accounts of the Treasury Main Account. These accounts shall be considered linked for the purpose of determining whether or not there is available cash to pay outstanding obligations:

• All Treasury Accounts
• Departmental Accounts
• Departmental Donor accounts
• All Sub-Treasury Accounts at the Commercial banks
• Special Fund Accounts

Appendix A provides the list of all accounts included in the TSA. This list may be amended by mutual agreement between the Ministry of Finance and the Bank of Sierra Leone.

Division of Responsibilities

The Bank of Sierra Leone as the Government Banker, Fiscal Agent and Adviser shall:
• Provide on-line, real-time information through the T24 system and detailed reports for each account and summary reports on beginning balances, inflows and outflows and ending balances for the accounts defined as the TSA and the linked accounts in Appendix A;
• Ensure that all internal transfers within an MDA Accounts (including Statutory Funds) are effected only to the designated account within the Bank of Sierra Leone; and
• Support the roll-out of the treasury single account to cover all the commercial banks undertaking banking transactions on behalf of the government.
The Ministry of Finance shall:
- Ensure that there is adequate and uninterrupted communication lines necessary for the staff of both the Ministry of Finance and Accountant General to consistently access the TSA system;
- Borrow funds if the cash flow projections show that the TSA balances will fall below the required minimum;
- Monitor actual balances and control the transfer of funds out of the TSA to ensure that the required minimum balance is maintained at all times;
- Organise and chair a Cash Management Committee (CMC) meeting comprised of Ministry of Finance, Bank of Sierra Leone, the Accountant General’s Department, National Revenue Authority and other revenue agencies to review and discuss updated cash flow projections and identify and resolve operational issues related to the Treasury Single Account.

Monitoring of the Implementation of the MOU
The Public Debt Management Division within the Ministry of Finance shall monitor the terms of this MOU and any issue arising may be taken to the CMC for resolution.

Effective Date and Revisions
This MOU becomes effective from the date of signature of the Parties for an indefinite period. Revisions shall be in writing and approved by the Minister and the Governor or their respective delegates. In the event that subsequent laws are enacted that deal with matters covered in this MOU, those laws shall take precedence.

Signed By:

Date: 30/1/2019

Ag. Minister of Finance

Date: 27/11/2019

Governor of the Bank of Sierra Leone
## Version Control

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<td>0.001</td>
<td>July 10, 2018</td>
<td>Mike Croasdaile</td>
<td>Initial Draft</td>
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<tr>
<td>0.002</td>
<td>July 11, 2018</td>
<td>Mike Croasdaile</td>
<td>Added Version Control Added detail steps to Processes 3.2.9 and 3.2.10</td>
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<tr>
<td>0.003</td>
<td>July 12, 2018</td>
<td>Mike Croasdaile</td>
<td>Added reference to the Fiscal Management and Control Act of 2017 Added detail steps to Processes 3.2.6 and 3.2.7</td>
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<td>0.004</td>
<td>July 13, 2018</td>
<td>Mike Croasdaile</td>
<td>Additional Processes documented</td>
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<td>0.005</td>
<td>July 17, 2018</td>
<td>Mike Croasdaile</td>
<td>Altered the TSA Model to reflect changes based on new government. These caused the elimination of certain processes and the addition of other processes.</td>
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<tr>
<td>0.006</td>
<td>July 18, 2018</td>
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<td>Added detail steps to Processes 3.2.12 and 3.2.13</td>
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<td>0.007</td>
<td>July 21, 2018</td>
<td>Mike Croasdaile</td>
<td>Corrections made throughout the document to reflect the changes to the structure of the Bank Accounts covered by the TSA. Also added a new process to calculate the Ways and Means Interest due.</td>
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<td>0.8</td>
<td>July 24, 2018</td>
<td>Mike Croasdaile</td>
<td>Changes applied following review sessions.</td>
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<td>July 26, 2018</td>
<td>Mike Croasdaile</td>
<td>Separated the SVA processing from the MDA processing.</td>
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<td>0.9.1</td>
<td>October 29, 2018</td>
<td>Mike Croasdaile</td>
<td>Add text in the Background section discussing the MOU between the BoSL and the MoF regarding the TSA and the involvement of the US Embassy and US Department of Treasury in the development of the Operations Manual.</td>
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<td>October 30, 2018</td>
<td>Mike Croasdaile</td>
<td>Miscellaneous changes made upon review of the entire document.</td>
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<tr>
<td>0.9.3</td>
<td>November 1, 2018</td>
<td>Mike Croasdaile</td>
<td>Changes following review of document by Mr. Raymond Coker</td>
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<td>0.9.4</td>
<td>November 5, 2018</td>
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<td>Changes based on review of document by Mr. Lawrence Caulker.</td>
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<td>Changes based on review of document by Mr. Richard Williams. Also changed all diagrams to be Landscape for better readability.</td>
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<td>November 6, 2018</td>
<td>Mike Croasdaile</td>
<td>Added a diagram that depicts the TSA processes that will be executed when Phase 4 of the roll-out is completed. This is the IFMIS model.</td>
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<td>November 8, 2018</td>
<td>Mike Croasdaile</td>
<td>Changed the author of the document to Michael Croasdaile. Changed the text of the bank accounts to be included in the TSA on</td>
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### Version History

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<td>Replaced the non-signed MOU with the signed MOU in Appendix C.</td>
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<td>January 17, 2019</td>
<td>Minister of Finance</td>
<td>Printed Version Approved by the Minister of Finance</td>
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<td>March 8, 2019</td>
<td>Mike Croasdaile</td>
<td>Removed the Cash Forecast template from Appendix B.</td>
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This document was prepared by the Accountant General’s Department
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