



Finance Circular No. X/ 1383
Dated __ April 2004 (__ Hamul, 1383)

Subject: Consolidation of line ministry revenues collected in provinces

According to the decree of the President of the Transitional Islamic State of Afghanistan as of 1382/4/16 all government bank accounts, except those opened with explicit instruction of the Minister of Finance shall be closed.

Mustofiat in provinces shall be responsible for the management of smooth flow of the revenues to the Treasury Single Account in the Da Afghanistan Bank (DAB).

Heads of respective offices of central ministries in provinces (hereinafter – budgetary units) shall be responsible for due collection of all government claims on individuals and legal entities, including all types of budget revenue.

1. Deposit of revenues

All revenues shall be deposited on the mustofiat revenue account at DAB. The accounting section of the mustofiat is responsible for prompt information to all budgetary units regarding the account requisites and the procedures of deposit.

Currently each mustofiat has one account authorized for the revenue collection. However, in case, if the mustofiat finds it necessary, it may request authorization from the Treasury Department of the Ministry of Finance for opening additional bank accounts in branches of commercial banks in the province. Mustofiat shall be responsible for accurate consolidation of all receipts collected on the revenue accounts in the province for sweeping at the end of every month to the Treasury Single Account at the DAB (600100).

Two options for the revenue deposit shall be used:

- Collections and deposit by bonded trusty of the provincial unit of a line ministry;
- Direct deposit by the payer to the mustofiat revenue account.

2. Direct deposit (transfer) to the mustofiat revenue account

The officials responsible for revenue collection in a budgetary shall advise the payer to make direct deposit of the due amount directly to the mustofiat revenue account. The receipt advice (document) shall be prepared in three copies and contain the following information:

- Name of the budgetary unit claiming the payment;
- Account number of the mustofiat and the name of DAB branch;
- Identification of the payer (name of individual or legal entity), taxpayer identification number or personal identification number as applicable;
- Purpose of the payment, e.g. passport fee, payment for service provided, etc.
- Amount of payment in the currency of Afghanistan

Upon receiving payment an official of DAB shall stamp customer copy of the receipt advice and return it to the customer to certify the payment made. The DAB retains one copy of executed payment advice and passes one copy of receipt advice to the mustofiat.

3. Payments through bonded trusty

Government units may collect receipts in the amount not exceeding Afs 1000 through bonded trusty. Mustofiat shall establish the maximum amount (ceiling) of cash one budgetary unit is allowed to store.

The payer shall receive receipt voucher from an official responsible for revenue collection and make payment to the bonded trusty. The head of the government unit is responsible for ensuring that under no circumstances one individual does not perform both duties – official responsible for the revenue collection and bonded trusty. The bonded trusty shall provide the payer with receipt to certify the payment made.

Alternatively government units may collect revenue through selling fixed value tickets, which shall describe the purpose of the collection, e.g. entrance to the government recreation or entertainment facility, date, and value and shall have reasonable security requirements including individual numbering. Such collectors of the revenue shall have full financial liability for the tickets received to return them to the bonded trusty of a budgetary unit or the funds collected selling the tickets.

The bonded trusty is responsible for making adequate record in the cash book immediately after collecting a receipt. At the end of a business day the bonded trusty shall produce total for the cash received in the cash book of receipts. In case, if the amount of cash stored in the budgetary unit exceeds the ceiling established by the mustofiat, the bonded trusty is responsible for depositing all collected revenues since the previous deposit to the mustofiat revenue account at the DAB branch. The head of the budgetary unit and the officials responsible for the financial matters, accounting, and controls in the budgetary unit shall ensure that under no circumstances revenue receipts are not used for payments except deposit to the mustofiat revenue account.

The bonded trusty shall complete M27 statement in three copies before depositing cash in the DAB branch. Upon receiving payment an official of DAB shall stamp one copy of the M27 statement and return it to the bonded trusty to certify the payment made. The DAB retains one copy of executed M27 statement and passes one copy of M27 statement to the mustofiat.

4. Accounting for and reconciliation of revenue receipts

Upon receipt of payments to the mustofiat revenue account the accounting section of the mustofiat shall register the receipt against specific heads of budgetary units by type of revenue. After ensuring that all records are made promptly the accounting section of the mustofiat shall prepare statement of the revenue received to every budgetary unit. The accounting section of the mustofiat attaches all individual receipt advices for direct deposit to the mustofiat revenue account to respective budgetary units. The accounting section of the mustofiat shall retain the copies of M27.

In case of discrepancies between the accounts of the budgetary unit and mustofiat the budgetary units shall provide written request to the mustofiat accounting section for adjustment in the treasury records with documentary evidence attached. The mustofiat accounting section may authorize the adjustments to the accounts to the extent that the total amount revenue collected is consistent with the cash receipts to the mustofiat revenue account and the documentary evidence for the adjustment is sufficient.

Salutation

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Minister of Finance
