MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

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From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

Guide on the Procedures for creation of Item Codes in
Treasury Accounting System, E-Budget & E-PSIP Applications

The purpose of this Circular is to provide Ministries/Departments with a guide on the procedures for the creation of Item Codes in the Treasuring Accounting System (TAS), the e-Budget and e-PSIP applications.

2.   The guide aims at ensuring that codes are created and maintained in a standard and harmonized manner with a view to achieving an optimal integration among the three applications and provide for, inter-alia,

(a)   a standard coding structure which is based on the Parent-Child principle; and

(b)   adherence to IMF Government Finance Statistics Manual.

3.   We rely on your collaboration for compliance with the enclosed guide.   It would be appreciated if the contents of this circular could be brought to the attention of all relevant public officers serving under your Ministry/Department/Division.

A. Acharuz
for **Financial Secretary**

Procedure for Creation of Item Codes in Treasury Accounting System, E-Budget Application & E-PSIP Application

Ministry of Finance and Economic Development
April 2017

Table of Contents

Creation of New Item Codes and PSIP Codes/Sub-codes

Introduction

1. This handout sets out the procedure for the creation of item codes in the Treasury Accounting System (TAS), the E-Budget and the E-PSIP applications.

2. The objective of setting out this procedure is to ensure that codes are created and maintained in a standard and harmonized manner with a view to achieving better efficiency through an optimal integration among the three applications, whilst ascertaining adherence to 'Government Finance Statistics Manual' principles.

Coding Structure

3. The standard coding structure is based on the Parent-Child principle. Generally, for revenue and expenditure items, the "parent" is at 5-digit level and the "child" is at 8-digit level for Economic Classification segment.

4. This is illustrated below:

   (i) Revenue

	Total	Breakdown	Remarks	Example
Parent	Rs 10,000		5-digit item	11420 – Excise Duties
Child 1		Rs 3,000	8-digit item	11420004 – Petroleum Products
Child 2		Rs 7,000	8-digit item	11420005 – Plastic Products

   (ii) Recurrent Expenditure

	Total	Breakdown	Remarks	Example
Parent	Rs 20,000		5-digit item	22010 – Cost of Utilities
Child 1		Rs 13,000	8-digit item	22010002 – Telephone
Child 2		Rs 7,000	8-digit item	22010003 – Water Charges

   (iii) Capital Expenditure

	Total	Breakdown	Remarks	Example
Parent	Rs 10,000		5 digits item	31113 – Other Structures
Child 1		Rs 6,000	8-digit item	31113 002 – Construction of Dams
Child 2		Rs 2,000	8-digit item	31113 003 – Construction of Roads
Child 3		Rs 2,000	8-digit item	31113 004 – Construction of Bridges

5. However, for capital expenditure items the parent-child relationship will also apply under segment Project/Activity where a project consists of one or more sub-projects. This is illustrated below:

	Total	Breakdown	Remarks	Example
Parent XX	Rs 3,000		PSIP Code 1	C0053 – Road Maintenance and Rehabilitation
Child XX1		Rs 1,500	PSIP sub-code 11	C005301 – Roads and Bridges
Child XX2		Rs 1,000	PSIP sub-code 12	C005302 – Footpaths
Child XX3		Rs 500	PSIP sub-code 13	C005303 – Road Marking and Signage

Creation of Economic Classification (EC) Codes in TAS

EC for Revenue Items

6. Requests for creation of new items of revenue from Ministries/Departments should be made to the Ministry of Finance and Economic Development (MOFED) (Revenue Section), (email: mbheekhee@govmu.org). No request will be entertained unless relevant details are provided to ensure proper classification in line with the Chart of Accounts.

7. The Revenue Section will then forward the request to Budgeting Directorate (email: dlan-hing-po@govmu.org) which will thereafter liaise with the Treasury (TAS Unit) and Statistics Mauritius (Public Finance Section) (if need be).

8. The TAS Unit at the Treasury will create the item in the Chart of Accounts and all stakeholders (Ministries/Departments, State Informatics Ltd [SIL], Revenue Section) will be notified thereof by email.

EC for Expenditure Items

9. Requests for creation of new items of expenditure from Ministries/Departments should be made to MOFED (relevant 'Sector Ministry Support Team' [SMST]). No request will be entertained unless relevant details are provided to ensure proper classification in line with the Chart of Accounts.

10. The SMST will then forward the request to Budgeting Directorate (email: dlan-hing-po@govmu.org) which will thereafter liaise with the Treasury (TAS Unit) and Statistics Mauritius (Public Finance Section) (if need be).

11. The TAS Unit at the Treasury will create the item in the Chart of Accounts (COA) and all stakeholders (Ministries/Departments, Finance Section of MOFED, SMST, PSIP Unit, SIL) will be notified thereof by email.

Creation of Cost Centre/ID Code

Creation of Cost Centre/ID Code for New Ministry/Department

12. MOFED requests for creation of Cost Centre/ID Code to the TAS Unit of the Treasury.

13. TAS unit will allocate the relevant codes and inform all stakeholders (Ministries/ Departments, Finance Section of MOFED, SMST, PSIP Unit, SIL and Revenue Section) accordingly.

Creation of additional Cost Centre/ID Code for existing Ministries/ Departments

14. Ministries/Departments request for creation of Cost Centre/ID Code to the TAS Unit of the Treasury.

15. TAS unit will allocate the relevant codes and inform all stakeholders (Ministries/ Departments, Finance Section of MOFED, SMST, PSIP Unit, SIL and Revenue Section) accordingly.

Creation of Analysis Code

16. Ministries/Departments request for creation of Analysis Code to the TAS Unit of the Treasury.

17. TAS unit will allocate the relevant Analysis Codes and inform all relevant stakeholders accordingly.

Creation of PSIP Codes/Sub-Codes

18. For capital items, requests for creation of PSIP codes/sub-codes from Ministries/Departments should be made to the respective SMST. No request will be entertained unless relevant details of the project, supported by the 'Project Profile Form' and 'Project Request Form' where appropriate are provided.

19. The SMST will then submit the request to the Finance Section (PSIP Unit), MOFED for allocation of codes/sub-codes.

20. After allocation of relevant codes/sub-codes, Finance Section (PSIP Unit) will request TAS Unit to create same in TAS. The Treasury will inform all stakeholders accordingly.

Creation of Non-PSIP Codes (Activity Codes)

21. As regards recurrent items, requests for creation of non-PSIP codes (activity codes) from Ministries/Departments should be forwarded to the TAS Unit of the Treasury.

22. TAS unit will allocate the relevant codes and inform all stakeholders accordingly.

Creation of Item Codes in E-Budget and E-PSIP Applications

E-Budget Application

23. As stated above, upon creation of items of revenue or expenditure/cost centres/PSIP codes/projects sub-codes or non-PSIP codes, the TAS Unit at the Treasury will inform all stakeholders accordingly. SIL will create the appropriate items of revenue or expenditure/cost centres/PSIP codes/sub-codes or non-PSIP codes in the E-Budget application and provide confirmation of same to all stakeholders.

24. E-Budget team (Central Team [MTFF], Revenue Section, Finance Section, SMST, PSIP Unit) will ensure that the relevant item has been duly created in the E-Budget application.

E-PSIP Application

Creation of PSIP Code/Sub-Code

25. Regarding creation of PSIP code/sub-code in the E-PSIP application, the procedure is as follows:

    (i)   Line Ministry creates the project on the E-PSIP application;

    (ii)   SMST verifies the details, validates and requests PSIP Unit (Finance Section) to create PSIP code;

    (iii) PSIP Unit assigns PSIP code/sub-code for that particular project and validates in E-PSIP application; and

    (iv)   PSIP Unit informs SMST and Treasury for inclusion of PSIP code/ sub-code in TAS.

Creation of Vote/Sub-Head, Cost Centre and Economic Classification Code

26. Same procedures will apply as detailed at paragraphs 9 to 13.

Authority for the creation of Items/Codes

27. No item or code shall be created in TAS, E-Budget application or E-PSIP application unless authorised by or on behalf of the Director (Budgeting Directorate).

Budget Preparation Period

Items/Codes

28. The above procedures will apply throughout the year except during the budget preparation period when the codes will be created on the E-Budget and E-PSIP applications at the level of MOFED **first**.

29. TAS Unit will thereafter be given a list of all items of revenue or expenditure, their codes, PSIP codes/sub-codes or non-PSIP codes created in the E-Budget/E-PSIP applications within a week after budget day.

30. TAS Unit will then create the items of revenue or expenditure, their codes, PSIP codes/sub-codes or non-PSIP codes in the COA and notify all stakeholders accordingly.

Creation of PSIP Code for New Projects

31. Line Ministry will create a record for a new project as stated at paragraph 25 (i) above. A temporary PSIP code will be assigned by MOFED PSIP unit to enable financial data to be captured in the e-budget system.

32. Once the project is approved, the relevant PSIP code will be assigned in replacement of the temporary PSIP code and same will apply in the e-budget application.

33. In the event the project has not been approved, the financial data input under the temporary PSIP code should be set to zero. Thereafter, the integration process should be run to ensure that data in the e-budget system is cleared and the record in e-PSIP application will be deactivated.

Deposit Accounts

34. For the opening of Deposit Accounts in the Government Ledger, requests should be made to MOFED (relevant SMST). Requesting Ministries/Departments should provide the following information to MOFED:

    (i)   Title and purpose of the Deposit Account to be opened;

    (ii) Details of receipts (currency, source, frequency of remittances etc.) to be credited to the Deposit Account;

    (iii) Details of payments (currency, frequency, payees etc.) to be effected from the Deposit Account;

    (iv) Bank account to be used for cash flows; and

    (v)   Such other information that MOFED may require.

35. The Treasury (TAS Unit) will open the Deposit Account in TAS only after the clearance of MOFED is obtained.

Advance Accounts

36. The procedure for the opening of Advance Accounts in TAS is prescribed in *Financial Instructions No 2 of 2016: Opening of Advance Account in the Treasury Accounting System (TAS)*.

Summary in respect of Budget Items

	Revenue	Recurrent Expenditure	Capital Expenditure			Time Frame
			Economic item	PSIP Code	PSIP sub-code	
Request for creation of item and code: submitted by:	Line Ministry/Department	Line Ministry/Department	Line Ministry/Department	Line Ministry/Department	Line Ministry/Department	
Request for creation of item and code: submitted to:	Revenue Section	SMST	SMST	SMST/PSIP Unit	SMST/PSIP Unit	
Request approved by:	Director	Director	Director	PSIP Unit	PSIP Unit	Within 5 working days
Item + code determined by:	Revenue Section + MTFF Unit	SMST + MTFF Unit	SMST + MTFF Unit	SMST + PSIP Unit	SMST + PSIP Unit	Within 2 working days
Instruction for creation of item and code given by:	Director or designated officer	Director or designated officer	Director or designated officer	Director or designated officer	Director or designated officer	
Item + code created by: in TAS	TAS Unit (Treasury)	TAS Unit (Treasury)	TAS Unit (Treasury)	TAS Unit (Treasury)	TAS Unit (Treasury)	Within 2 working days
In E-Budget	SIL	SIL	SIL	SIL	SIL	Within 2 working days
E-PSIP	N/A	N/A	Line Ministry/Department	Line Ministry/Department	Line Ministry/Department	Within 5 working days
Stakeholders notified by:	TAS Unit	TAS Unit	TAS Unit	PSIP Unit	PSIP Unit	

N/A – Not Applicable

7