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MINISTRY OF FINANCE AND PLANNING

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Public Finance Circular No: 447

To: All Secretaries of Ministries
Chief Secretaries of Provincial Councils
Heads of Departments and
District Secretaries

Payments to Government Institutions through Electronic Media

1. Introduction

With the view of providing the public services efficiently, the government institutions now could use the Electronic Media and the necessary authority in this respect has already been granted by the Electronic Transactions Act No. 19 of 2006. This circular is issued with effective from 30th November 2010 to authorize and regularize the acceptance of payments through electronic mode.

2. Payments through Electronic Media

2.1 The payments to government institutions through electronic media can be made as follows.

(i) Over the Counter Payments
(ii) Online Payments

2.1.1. Over the Counter Payments

(a) When a person visits the institution and presents his electronic card for a payment, the officer in charge of receipts should satisfy himself with the identity of the payee, acceptability of the card and adequacy of funds available. Appropriate strategies for this purpose

should be introduced with relevant financial institution who provides the electronic payment services.

(b) If he is satisfied with the above requirements and receipt of money is confirmed, a receipt relevant to the electronic transaction should be issued to the payee.

(c) Appropriate action should be taken to obtain the relevant amount to the Official Account of the institution daily or as early as possible.

(d) In the event of any uncertainty with regard to payment, the transaction process should immediately be stopped by rejecting the acceptance of money through electronic mode and the specified payment should be obtained through either by cash or any other valid method of payment.

2.1.2. On line Payments

In case any institution desires to obtain the money through their Website, it is the responsibility of the respective institution to develop necessary software and to make strategies including protected internal control systems. Similarly adequate methods and structures should also be introduced to identify the identity of person make the relevant payment and identify the account of which the amount to be credited. If technical support in this regard is required, such services could be obtained from the Sri Lanka Information and Communication Technology Agency (ICTA)

2.2. The required authority and responsibility to obtain payment through electronic media should be delegated to its co-employees by the Heads of the Government Institutions, and appropriate internal control systems and security measures should also be made for such payments.

3. Reconciliation and Settling of Transactions:

3.1. The government Institutions that accept money through electronic media should reconcile such receipts with the Bank Accounts, the Revenue Accounts and other related accounts and for this purpose adequate systems and procedures should developed to generate adequate returns and information. Detailed information on those payments, remittance to Official

Bank Account and of customers should be obtained daily from relevant banks, compared them and recorded accordingly.

3.2 The respective Institution should enter into an agreement with the service provider to ensure the remitting of money promptly to the Official Bank Account of the Institution.

3.3 The Systems and procedures should be developed to enable the institution to identify the daily settlements made by the Bank and review through the computer system at any occasion. .

4. Refund of amounts levied excessively through electronic payment method due to errors and other reasons.

If amounts levied through electronic payment method happened to be excessive due to any errors or other reasons, in order to accelerate such repayments the authority to repay such transactions is delegated to Heads of Departments and accordingly such refunds are exempted from the provisions in FRR 118.

5. It should be borne in mind that the rate of commission or service charge payable to the provider of electronic payment services should be decided only with the prior approval of the Public Finance Department and if required, the financial allocation to pay the commission should be made through the National Budget Department.

Sgd. P.B. Jayasundera
Secretary to Treasury

Copy to: Auditor General