

WII. ORDER OF RECEIPT FOR REDUCTION OF EXPENSE (ORRE)

1. REASONS.

The Order of Receipt for Reduction of Expense (ORRE) is established to restore credit of the National Budget under the Section, Chapter or Article concerned, when an excessive payment, an extra advance or a transfer with charge of an object is made. Examples : Extra payment, payment of salaries and allowances made two times etc.

2. AMOUNT FOR WHICH AN ORDER OF RECEIPT FOR REDUCTION OF EXPENSE IS TO BE MADE.

The Order shall be only made if the receipt to be restored to the current credit is from 5,000\$ upward. The restored fund may be all or part of the amount in the Cash Order.

With regard to amounts under 5,000\$ or to Receipts to Reduce Expenses belonging to the previous years, an ordinary Order of receipt shall be made and charged against Section "Miscellaneous and Unexpected Receipts" in the Budget.

3. METHOD OF ESTABLISHING AN ORDER OF RECEIPT FOR REDUCTION OF EXPENSE (ORRE).

3.1. At Central level :

3.1.1. The Delegated Receiving Officer (Credit Manager)
shall :

- Establish 6 copies of such order (ORRE) and 1 report to this effect.

- Forward 5 copies of the Order to the Receiver at Ministry, and retain one copy for files.

- Send notice of such order to the creditor.

NOTES :

a) The Delegated Receiving Officer establishes a book for issuance of Orders of Receipt in good sequence order. This book is to be used both for the ordinary Orders of Receipt and Orders of Receipt for Reduction of Expenses (ORRE).

b) Only one Order of Receipt for Reduction of Expense is made for each one Cash Order.

c) It is possible to establish a common Order of Receipt for Reduction of Expense for several Cash Orders under one same Obligation Order.

d) If the Order of Receipt for Reduction of Expense is related to a Cash Order, reference should be made to the Number and date of Obligation of such Cash Order being subject to reduction of expense and to the Code Number of the expense being reduced.

e) If the Order of Receipt for Reduction of Expense is related to several Cash Orders under a same Chapter or Article, shall be registered in the column listing the amount to be

reduced of each Order, the number and date of the related Obligation Order, the Code Number of the expenditure of each Cash Order being reduced, prior to making the total amount in all Cash Orders being reduced.

g) If the Order of Receipt for Reduction of Expense is issued in the current year, and if upon expiration of the year, no collection can be made, it is necessary to establish a Certificate cancelling such Order of Receipt by mentioning the reason why collection cannot be made and to establish an ordinary Order of Receipt in substitution therefor.

3.1.2. The Receiving Officer shall :

- Enter all Orders of Receipt received.

- Collect money, and issue receipt to the payer.

In case the debtor lives in the province, he may ask the local Treasury Service to collect money for him just like in the case of an ordinary Order of Receipt.

- Affix the stamp "Received" on the Order of Receipt for Reduction of Expense, retain one copy thereof and forward 4 copies to the Disbursing Center.

- At the end of the month, return the money collected to the Treasury General, receive a receipt thereof and a declaration for having made the deposit in the Treasury such declaration is issued by the Treasury.

3.1.3. The Disbursing Center shall :

- Reduce the expense and affix the stamp "Expense reduced" on copies of the Order, and retain one copy thereof.
- Return the original copy of the Order to the Receiving Officer who shall communicate it to the Central Accounting Agency.
- Forward to the Delegated Receiving Officer 2 copies for constituting a dossier of de-obligation and communicate same to Obligation Control.
- At the end of each month, establish a total list of cancelled expenses and forward it to the Receiving Officer.

3.1.4. The Delegated Receiving Officer :

Upon receipt of 2 copies of ORRE with the stamp "Expense cancelled", on this Officer shall, on the one hand, make correction in the liquidation Book and, on the other, establish a De-obligation Order, and forward it to Obligation Control for approval and correction of the obligated amount.

3.1.5. The Receiving Officer.

Upon receipt of ORRE and the list of cancelled expenses from the Disbursing Officer, the Receiving Officer

shall forward them to the Central Accounting Agency at the same time with the original copy of the ORRE, the receipt and declaration of deposit issued by the Treasury in order for this Agency to account same in the Receipts.

3.2. In the province :

3.2.1. The Deputy Delegate Disbursing Officer (Deputy Credit Manager) shall follow the same procedure as the Delegate Receiving Officer at Central level.

3.2.2. The Chief of Treasury Office who takes care of the execution of O.R.R.E. issued by the local Deputy Delegated Disbursing Officer, must :

- Collect the sum of money mentioned in O.R.R.E.;
- Establish, at the end of the month, a receipt to justify the money collected ;
- Forward O.R.R.E's to the Delegated Deputy Receiving Officers.

3.2.3. The Delegated Deputy Receiving Officer.

- Makes corrections of the obligation made in the province ;
- Establishes at the end of the month the list of cancelled expenses ;
- Automatically deducts the amount reimbursed from

expenses under the related Title , Article, Item.

- During three days on the following month, forward the Receipt and the list of cancelled of expenses to the Central Accounting Agency for appropriate action.

- Establishes each month a Receipt Accounting list (ORRE and ordinary Orders of Receipt) and sends it to the Central Accounting Agency for consolidation purpose.

4. TIME FOR EXECUTION OF ORRE.

The delay for execution of ORRE is the 30th of December. Beyond this date, all remaining ORRE's shall be cancelled and replaced by the ordinary Orders of Receipt.

(Formalities on ORRE presented hereinabove shall supplement Circular No.02-KTC/CBKT of January 6, 1970 of the Central Accounting Agency to make it more convenient the IBM operations).

VIII. CANCELLATION OF CASH ORDER

1. REASONS

If by mistake, duplication, non use or in violation of a regulation, a Cash Order is issued, it is revoked and cancelled.

2. FORMALITIES TO CANCEL A CASH ORDER.

2.1. The time for cancellation of a Cash Order is three months from the date of its issuance.

2.2. To cancel a Cash Order, the Credit Manager must forward it, attached to a certificate of cancellation whose form is hereunder presented, to the related Disbursing Center for confirmation.

FORM OF CASH ORDER CANCELLATION CERTIFICATE:

The Credit Manager undersigned, certifies that : Cash order No. dated in the amount of by the name of issued against Budget Year Title Chapter Article Program Code Number) is cancelled for the following reason :

.....

Certified cancelled SAIGON,
Cash Order No... dated Signed : Credit Manager
in the amount of
by the name of
SAIGON,
Director of Disbursing Center ...

2.3. The Disbursing Center, after confirmation, shall forward :

- 1 copy of the Certificate of cancellation with the Cash Order attached thereto and bearing the stamp "CANCELLED", to the Treasury for action.

- 1 copy back to the Credit Manager for correction in his ~~book-keepings~~ and for constituting the de-obligation file.

- 1 copy to the Central Accounting Agency for files.

- and shall retain 1 copy for its own files.

3. TO REVOKE A CASE ORDER.

3.1. Beyond the delay for cancelling a Cash Order (three months) the Credit Manager must establish an ORRE (if the amount is above 5,000\$ and is still in the current year), or an ordinary Order of Receipt (if the amount is under 5,000\$ and belongs to the previous years) and forward it to the Disbursing Center together with the Cash Order concerned. On the ORRE or on the ordinary Order of Receipt, it is simply necessary to write in red the following : "For deduction of the whole amount".

The Cash Order must be left untouched : it should not be torn nor bear the "Cancelled" stamp on.

3.2. The Disbursing Center **must** mark on the Cash Order the following formula : "Whole amount deducted", and forward **it** to the Treasury for entering the account of the Receiving Officer of the Ministry concerned.

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IX. LOSS OF CASH ORDER

If a Cash Order is lost, request may be made for a duplicate to be issued, according to the following procedure :

1. CASH OF LOSS OF CASH ORDER BY A GOVERNMENT AGENCY.

The Credit Manager must establish a Certificate of Loss of Cash Order and forward it to the Directorate General of Treasury requesting confirmation that the Cash Order concerned has not been cashed at any Treasury throughout the country.

After the above certificate is confirmed by the Treasury General, the Credit Manager shall forward it to the Disbursing Center for issuance of a duplicate of the Cash Order.

FORM OF CERTIFICATE OF LOSS OF CASH ORDER

The Credit Manager at (Ministry, Directorate General, Directorate, Service) undersigned, certifies that :

Cash Order No. date in the amount of by the name of of the expense (state the nature of the expense) under Title Chapter Article Year Budget was lost under the following circumstances :

.....

In witness whereof, this Certificate is established to request issuance of a Duplicate of said Cash Order.

SAIGON,

Credit Manager

(Signature and Seal)

Certified that Cash Order No. dated
in the amount of by the name of
has not been and will not be cashed anywhere throughout the
country effective

SAIGON,

Director General of Treasury.

2. CASE CASH ORDER IS LOST BY THE CREDITOR.

The Creditor makes a declaration to the Credit Manager for issuance of a Duplicate. The latter shall consider the case and if he finds it true, shall certify the declaration and return it to the Creditor. The Creditor takes the declaration to the Treasury to request issuance of a Certificate certifying that the original copy of the Cash order was not cashed anywhere in the country.

After all the above is done, the Creditor shall send the whole file (declaration with confirmation of the Credit Manager+ Certificate of the Treasury) to the Disbursing Center for issuance of a Duplicate copy of the Cash Order.

X. CROSS EXAMINATION OF BOOK-KEEPINGS AND RECORDS.

(between the Credit Manager and the Disbursing Center)

- From the 15th to 20th of every month, the Credit Manager must send his personnel to the related Disbursing Center to obtain the IBM status list of accounts of the previous month for cross examination with his own book-keepings and related records.

- If any difference in the figures between the books is found, the Credit Manager shall immediately communicate with the Disbursing Center concerned for correction.

- If the accounts agree, the Credit Manager shall forward to the Disbursing Center a Notice (Form attached).

- Particularly concerning the accumulating IBM status list of December, the Disbursing Center shall send one additional copy of such list to the Credit Managers for confirmation.

The Credit Managers shall mention the following caption right at the bottom of the status if space is available ,
or on the recto :

"The Credit Manager and the Chief of the Disbursing Center,
undersigned, acknowledge that the figures mentioned in
this status are correct".

They must sign their names and affix their seals prior

to forwarding such **status** to the Disbursing Center concerned.

The Chief of Disbursing Center signs his name, affixes his seals and transmits the **status** to the Programming Directorate (DGEFA) for use as documents to consider applications for transfer of credits of the Ministries etc.

REPUBLIC OF VIETNAM

Size 21 x 27

MINISTRY OF

No.

N O T I C E

STATUS OF OBLIGATIONS COMPARED WITH EXPENSES

Please be kindly informed that the obligations as compared to expenses during the month of Year under Chapter Title in the book-keepings and records under my management entirely agree with the figures mentioned in the IBM status of (month) Year forwarded by your Center.

Chapters	T O T A L		
	Credit allocated	Obligated	Expenses

Dist.:

SAIGON,

- Disbursing Center
(Civilian or Military Expenses)
Saigon.

Credit Manager,

XI. PERIODICAL REPORTS

Every month, upon receiving reports on the previous month from the Deputy Manager, the Credit Manager shall submit to the Minister concerned a list on the **status** of expenses as of the end of the previous month. This **status** list may be established according to the form of the Total Expenses Record (Chapter 4 - Accounting books).

According to Article 141, Decree No.170-SL/TC of 13 December 1968, report to the Minister concerned must be made prior to the 16th of every month.

E. DELEGATION OF CREDIT

E. DELEGATION OF CREDIT

1. DEFINITION.

Delegation of Credit is transfer of credit from the National Budget to the provincial authorities (or Municipalities) to pay for expenses of the local services under control of the Ministry concerned.

2. MANAGEMENT OF THE DELEGATED CREDIT.

At present, the Province Chief or Chief of Municipality (Mayor) holds the function of Deputy Disbursing Officer.

The Chief of Local Technical Service holds the function of Liquidator.

The Chief of Local Treasury Service holds the function of Accountant.

3. PROCEDURE OF DELEGATION OF CREDIT.

The credit is usually delegated every 3 months. The Ministries and Provinces concerned shall do the following :

At provincial agencies .

3.1. Prior to each quarter, the Deputy Disbursing Officer

must forward to the Ministry :

- The list of estimated expenses for personnel (on hand) with complete details on salaries, allowances etc. (personnel of the Ministry concerned) ;

- The list of materials to be purchased, and estimative details of works to be realized etc.

3.2. In case there is a new requirement which occurs, request for a special delegation of credit shall be made.

3.3. After the delegation of credit is made, and if it is found that it is not adequate, request for a supplemental delegation may be made.

At Central Government agencies.

3.4. Based on the actual requirement and according to the budget appropriated to the provincial services, the Credit Manager shall :

- a) Establish an Obligation Order to delegate the necessary amount. A separate Obligation Order must be made for the delegated Credit and in one same Obligation Order, obligations by Article may be made to several Provinces with full details to be mentioned as follows :

- Obligation purpose : to delegate credit (distinction from Obligation for expenses at Central level).

- Title . - Chapter - Article - Year.

- Code number of the Province (or of the Military Region ; Code number of the American Aid Program, if any).

- Name of province.

- Amount delegated to each province.

b) Establish a list of Credits delegated (a list of delegated Credits may include several Articles for each province).

- Amounts delegated (per Article and Province) mentioned in the lists of delegated Credits as well as the total thereof must agree with the amount mentioned in the Obligation Order.

3.5. The above documents (Obligation Order + lists of delegated credits + necessary vouchers) shall be forwarded to Obligation Control for examination and visa.

3.6. The Obligation Comptroller, after giving his visa to the Obligation Order and lists of delegated Credits, shall :

- Forward a duplicate copy of the Obligation Order and of the List of delegated Credits to the Disbursing Center;

- Retain one copy each for his files.

- Return the rest to the Credit Manager.

3.7. The Credit Manager shall :

a) Forward one copy of the list of delegated Credits to each one of the following :

- Deputy Disbursing Officer
- Liquidator
- Treasury Service
- Central Accounting Agency.

b) Enter the Credit Distribution Book (form attached). This Book is established to follow up the Credits delegated per Chapter, Article, Item and separately to each Deputy Disbursing Officer.

4. PROCEDURE TO ENGAGE AN EXPENSE IN THE PROVINCE.

4.1. After receipt of the list of delegated Credits, the local Service concerned in the province shall engage expenses within the limit of credits delegated per Article (separately for the National Budget and American Aid Chapter).

4.2. Credit delegated under one Article may not be spent for work under another Article.

If the Credit runs short, request must be made to the Ministry for a supplemental delegated credit.

4.2. An Advanced Fund may be established out of the delegated

Credit to pay for expenses such as food for patients, prisoners, students, purchase of fuels, operations, reliefs to war refugees, calamities.

5. BOOK-KEEPINGS.

In order to follow up the execution of the National Budget insofar as delegated credits are concerned, the local responsible authorities must keep the following book-keepings :

The liquidator :

- Obligations Book-keeping,
- Payroll Control Book-keeping,
- Debts Book-keeping,
- Liquidation Book-keeping,
- Material Inventory Book-keeping,
- Daily Book for incoming and outgoing materials, if any.

The Deputy Disbursing Officer :

- Approval for Payment Book-keeping.

The above book-keepings shall be established similar to those in use at Central level.

Title Chapter Article

Total :

Saigon, 19

Credit Manager

NATIONAL BUDGET (American Aid Chapter).										Remarks
Current Credit of 19... ..					Credit carried over from 19.....					
Delegated Credit	Approved for payment by province			Balance (16-19)	Delegated Credit	Approved for payment by province			Balance (21-24)	
	Previous months	During the month	Total (17+18)			Previous months	During the month	Total (22+23)		
16	17	18	19	20	21	22	23	24	25	26

Certified the situation of delegated
credits at the end of...(month)...

19... as follows :

- Total delegated: \$(divided
- Total approved for
payment by province: \$(as
- Balance : \$(follows

Delegated
Approved
Balance

National Budget			American Aid Chapter.			Total
Current year	Carried over	Total	Current year	Carried over	Total	
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -

Saigon
Chief Accounting Service

6. FILES CONCERNING AN EXPENDITURE.

a) The file concerning an expenditure must be made in accordance with the regulations in force.

b) With regard to Military expenditures, all files must be forwarded to the Obligation Comptroller at the Administrative and Financial Agencies for control through its different stages of obligation and liquidation.

c) With regard to civilian expenditures, since there are not enough control officers for assignment to the provinces, files of liquidation and approval for payment are forwarded directly to the local Treasury Service for visa prior to payment.

7. SPECIAL CASES.

During the year, a credit may happen to run short or to be in extra :

a) Credit running short :

Expenses from public fund must be followed up closely and must agree with the delegated credit as per Article, especially during the last days of the year, so as to avoid the case of the credit running short unexpectedly.

If for any reason, it is necessary to pay, urgently, salaries to the personnel while credit is running short, payment may be made by requisition of money from the Treasury, but the

Delegated Disbursing Officer must immediately request the Ministry to allocate a supplemental delegated credit.

This operation must be performed prior to the 31st December, date of closing of the Budget year.

c) Credit in extra :

During the last days of December, all Deputy Disbursing Officers must check the **s t a t u s** of their expenditures in order that on the 31st of December, the Liquidation and Approval for Payment books can be closed, so as to know the **credit balance** and to establish the expenditures **status**.

T h i s s t a t u s must be approved by the Treasury and forwarded immediately to the Ministry for timely revocation of the credit concerned and in the meantime to either continue liquidation of expenditures concerned, at Central level or make procedure to allocate credit to the province for expenditures made at the end of the previous year, but payment therefor is not made to the creditor.

8. PERIODICAL STATUS.

a) Within the first 10 days of the month, the Deputy Disbursing Officers must forward to the Credit Manager at Central level the **s t a t u s** of delegated credits as of the end of the previous month, mentioning clearly the **status** each Chapter, Article, Item (Form attached).

(left side page)

Province of :

STATUS OF CREDITS DELEGATED IN (month) . . . 19 . . .

[illegible]

Certified accurate after comparison with the Treasury's
Accounting books

. Date 19

Chief of Treasury Service

National Budget (American Aid Chapter).										Remarks
Current Credit I9 ...					Credit carried over from					
Credit delegat ed	Approved for payment by province			Balance	Credit delega ted	Approved for pymnt by province			Balance	
	Previous months	During the month	Total (I7+I8)			Pre- vious months	During the month	Total (22+23)		
I6	I7	I8	I9	20	21	22	23	24	25	26

Date

Deputy Credit Manager

G. ADVANCE FUND - FUND FOR OPERATING

A STATE-MANAGED PROJECT

G. ADVANCE FUND.

FUND FOR OPERATING A STATE-MANAGED PROJECT

1. GENERAL PRINCIPLE.

In principle, every expenditure must be liquidated by means of administrative Cash Orders.

However, there are several expenditures which, either because of their urgent nature or their special character, require immediate payment in cash or by check.

The concerned agency, therefore, may request for the establishment of an Advance Fund or a Fund for operating a State-Managed Project (State-Managed Fund).

2. ADVANCE FUND.

2.1. Objectives

a) The Advance Fund is established to make payment for emergency expenditures or purchases under 2,000\$ which require immediate payment in cash or by check.

b) At present, the Advance Fund also pays for the following expenditures :

- Travel allowances ;
- Reimbursement of maternity, hospital fees ;
- Fees for transportation of personnel and luggages ;

- Death allowance ;
- Purchase of food for patients or prisoners ;
- Water and electricity fees ;
- Telephones and Telegraph fees ;
- Fuels ;
- Publications ;
- 2-month salary loan to employees transferred to another post. Procedure must be made immediately to reimburse the Fund of this loan.

2.2. Procedure to establish the Advanced Fund.

The Procedure to establish the Advance Fund consists of the following phases :

- Establishment of the Fund
- Opening an Account at the Treasury
- Establishment of Cash Orders to finance the Fund.

2.2.1. Establishment of the Fund.

a) To establish an Advance Fund, the Agency concerned must forward to Obligation Control for approval the file concerning such establishment.

b) Such file includes the following documents :

- A Recommendation for the establishment of the Fund (stating the reasons why).

- Copy of the Draft Decision providing for the establishment of the Fund.

- The Obligation Order concerned (Several Funds may be established and listed in one same Decision, but a separate Obligation Order must be established for each Fund).

c) The Decision on the establishment of the Fund must stipulate :

- The purpose of the Fund ;
- The estimated credit and the original amount.
- Formality for re-funding the Fund (if any)
- Year, Budget, Chapter, Title of the appropriation, Code Number of the Program (if any)
- Appointment of a Fund Manager
- Formalities to draw money from the Treasury
- Time for justification of expenses.
- Rights of the Fund Manager

2.2.2. Sample of Decision providing for the establishment of an Advance Fund.

REPUBLIC OF VIETNAM

No.

Ministry of

THE MINISTER OF

Referring to the Constitution of April 1, 1967 ;

Referring to Decree No.394-TT/SL of September 1969 and subsequent documents fixing the composition of the government ;

Referring to Decree No. dated fixing the function of Minister of

Referring to Decree No.019-SLU of September 3, 1966, Decree No.170 SL/TC of 15 December 1968 and subsequent documents providing for financial regulations in force ;

Upon recommendations of

D E C I D E S :

Article 1 :

It is hereby established at ... (place) ... C.Y. 19.. Advance Funds whose use must be eventually justified, to pay for expenditures fixed in Article 2 of this Decision.

Article 2 :

Money allocated to these Funds **is** fixed as follows :

1)\$ to pay for petty and emergency expenditures appropriated to **Title ..** Chapter

-Article (Cash No. ...) (1)

(1) Cash number is issued by Obligation Control upon receiving the Decision establishing the Fund.

2)% to pay for travel allowances, hospital fees to be charged against **Title** Chapter Article (Cash No.)

3)% to pay for electricity, water, telephone, postal fees to be charged against **Title** Chapter Article (Cash No.).

Money allocated to each Fund shall be issued by Cash Orders, numbered Cash Order No.1, No.2, No.3 to be issued immediately after this Decision is signed (2).

Expenditures made against Cash Order No.1 must be all justified prior to issuance of Cash Order No.2 and so on in the same order.

Justifications must be made on the 31st of January of 19.. at the latest.

Amount allocated in advance must be deposited in a current account (no interest) of the Treasury.

The Fund Manager shall be allowed to keep an amount of 20,000% in cash to pay cash for petty expenses up to 2,000%.

Each check to draw money from the Treasury by the Manager must be signed by

NOTES : (2) The number of Cash Orders is to be determined by the Disbursing Officer (usually 6 Orders).

Article 3 :

Mr. is appointed Manager of this Fund and shall enjoy a functional allowance in accordance with regulations in force.

Article 4 :

The Director of Cabinet, the Secretary General of the Ministry of, the Director General of Treasury and the Chief, Disbursing Center shall be responsible for the execution of this Decision.

SAIGON,

2.2.3. Procedure to open an account at the Treasury.

a) The Advance Fund must be deposited at a current account in the Treasury.

To open an account, the Fund Manager and the Officer in charge of Controlling the signature on the check (if any), must apply to the Treasury, (Public Fund Office).

b) The application for opening an account includes :

1) Copy of the Decision providing for the establishment of the Advance Fund.

2) Copy of the document appointing the Officer in charge of checking signatures on checks, accompanied by samples of signatures of the Fund Manager and the Signature

Control Officer.

- 3) Request for opening the account ;
- 4) Order of making account deposits ;
- 5) Application for a Check Book.

The Signature Control Officer and the Fund Manager must sign on forms 3, 4, 5 above in the presence of the Treasurer.

c) In emergencies, the Fund Manager may request the Treasury (by official letter) to let him know in advance the Account No., to issue him the check book, and Forms 3, 4, 5 said above. These will be sent to the Fund Manager who will fill out details and return everything to the Treasury.

2.2.4. Procedure to establish Order of Payment (or Cash Order).

a) After signature of the Decision establishing the Advance Fund and after an account has been opened, the Credit Manager must establish and send to the Disbursing Officer (Liquidation Control Officer) for his approval, a request for issuance of Orders of Payment or Cash Orders.

b) This application includes :

- Request for establishment of Cash Order.
- Copy of the Decision establishing the Fund ;
- Justifications of the previously exhausted Fund (if re-funding is applied for).

c) Request for issuance of Cash Orders must refer to the Cash Number and Obligation Number. Each time request for issuance of Cash Orders is made, request for establishment of new Cash Orders must be made also.

The Disbursing Center (Liquidation Control) shall approve the request for establishment of Cash Orders and forward it to the Treasury together with the Order of Transfer and report of deposit for transferring money to the Fund Account. The Treasury shall so notify the Fund Manager.

2.2.5. Accounting books held by the Advance Fund Manager

a) Check Book :

The Cash Manager is issued, by the Treasury, a check book when the Account is open. The Fund Manager must take care of this book and each time a check is drawn, must examine the sequence order of the checks.

The Fund Manager shall only sign and issue a check after having received the expenditure file in full and due form. He must write clearly the sum of money to be paid in letters and in figures after having withheld taxes due, if any). After that, the check must be shown to the competent officer for signature.

Despite tax withholding is made, only the accurate amount of the expenditure (in the invoice or estimate

of salaries) must be written on the check, instead of writing 2 amounts :

- the true amount paid after tax withholding ;
- the amount to be paid to the Tax Service.

This is for the reason that tax withholding is made in favor of the Tax Service and is not an expenditure of the Agency.

Checks issued but not used due to errors must be cancelled and attached to the check book.

The Manager is entirely responsible for any check, whether signed or not, which is lost. Under such circumstance, he must so notify the Treasury to take appropriate measures.

b) Vouchers.

(Justification Form E2. Y and Receipt,
Form E.3)

- Sample justifications Form E.2-Y, is made in sets of 4 copies each, mentioning the following agencies :

Central Accounting Agency ;

Disbursing Center ;

Accountant Manager ;

Accountant Manager (archives).

- Receipt Form E. 3, consists of sets of 2 copies each :

- . Original copy, white, to follow the vouchers ;
- . Carbon copy, in rose, to be kept in the Fund Manager's file.

- In the justifications form E2-Y, the Fund Manager must write the number of the Cash, the Decision and the Cash Order and sign his name. The Manager may use several Forms E2-Y for one Cash Order, but the pages must be numbered.

When the payment is made in cash or by check, the Manager asks the recipient who receives money to sign his name in Receipt E.3 or in the invoices. The Receipts E.3 or invoices shall be stamped "CASH" (if payment is made in cash) or "PAID BY CHECK No. DATED" (if paid in check). After that, the Fund Manager shall write on Receipt E2-Y the number and date of Receipt E3, the recipient's name, the amount of the expenditure, the nature of the expenditure and the Code number of such expenditure.

- In case the recipient can produce only one invoice, the Fund Manager must always establish Receipt E.3 to accompany this invoice and shall mention same in Receipt E.2-Y.

- When a Cash Order is spent, the Manager must account for the expenses, summarize the nature of the expenses and write in the frame underneath Receipt E2-Y. If several justifications are

used, the Manager shall only sign his name in the first copy, and the Credit Manager shall give his approval **in** the last copy.

c) Cash Book : (Form No.14).

- The Cash Book is used to record all receipts and income. This book must be numbered on each page by the Chief of the Agency concerned who certifies to the number of pages and initials his name on the first and last pages.

- Balance must be made at the end of each month and the book must be submitted to the Credit Manager for signature.

- Upon payment made to the beneficiary with tax withholding being computed, the Fund Manager shall enter same in the Cash Book. Meanwhile, he must enter same in the Tax withholding book and issue a receipt thereof to the beneficiary.

- In case the Fund Manager is transferred away, the Credit Manager shall preside over the transfer of power between the outgoing and the incoming Manager, check the Fund and all bookkeepingsof the outgoing Officer.

REPUBLIC OF VIETNAM

Ministry of

Directorate, Service of

CASH BOOK (outside page)

Advance Fund No. established by Decision

No. dated

Purpose of the Fund :

This Cash Book which includes sheets, numbered from No. 1 to No., is signed and sealed on the first and last pages, and is assigned today to Mr. Fund Manager.

SAIGON,

Chief of Agency,

d) Tax Withholding Book (Form 15).

- The Fund Manager must establish a Tax Withholding Book to enter all withholdings upon payment to the beneficiaries : licence percentage tax, 6⁰/o production tax etc. and all withholdings that he deposits to the Treasury.

With regard to taxes, the Fund Manager must enter the withholdings in the Cash Book and Tax Withholding Book and establish a receipt to be given to the **creditor** at the same time with the check mentioning the balance to be paid to him.

- At the end of the month, the Fund Manager must make a list (Form attached) of taxes withheld and issue a check to the name of the Director General of Tax for the benefit of the public fund. A copy of such list must be forwarded to the Tax Service concerned.

e) Tax Withholding Receipt Book :

Issued by the Tax Service.

2.2.6. Procedure to commit expenses from the Advance Fund.

a) Expenditures up to 2,000% :

The Fund Manager is authorized to pay in cash for such expenditures. He does not have to make the purchase

order, Invoice justifications or Invoices, and to withhold the License percentage tax and production tax.

The supplier or the recipient will have only to make delivery of the goods and to sign on the receipt (form E) for payment.

b) Expenditures from 2,001\$ upward :

Payment is made by check.

The file must be established in accordance with financial regulations in force (verbal or written agreement).

NATIONAL BUDGET

YEAR

TAX WITHHOLDINGS

Size : 21 x 27
or 42 x 27
Form : 15

Date	Name of Creditor	Expense	Invoice			Check		Withholding			Remarks
			Number	Date	Amount	No	Date	License Tax	Production Tax	Total	
2	3	4	5	6	7	8	9	10	11	12	13
				<u>Month</u>							
		Total									

Certified the total amount of tax withheld in the month
of 197 . is VN\$ (VN\$..figures)
divided as follows :

License Tax : \$ VN
Production Tax : \$
. Tax : \$
Saigon
Accountant Manager

READ :
Credit Manager

AMOUNT IN CASH

(page inside)

Sequence No I	Date 2	Designation of Receipt - Expense 3	Receipt		Expense							Balance (6-10) I3	Remarks I4
			Cash order			Invoice				With hold ing II	Balance paid to Credi- tor I2		
			Num- ber 4	Date 5	Amount \$ 6	Date 7	Num ber 8	Name and Address of Creditor 9	Amount 10				
		Total											

READ
Credit Manager

Certified the situation of Receipts-Expenses in the
month 19 as follows :

- Receipts : \$
- Expenses (Payment to Creditors . . . \$
 (Tax withholdings . . . \$

Balance :

Saigon
Accountant Manager

2.2.7. Mode of Payment.

- Prior to making payment, the Fund Manager must check the file, withhold the license percentage tax, the 6⁰/o production tax etc.

- Upon payment in cash or by check, the creditor must sign for receipt on the original and carbon copy of the invoice or invoice vouchers, the estimates or Receipt E.5.

If payment is made to a proxy, the Fund Manager must ask for production of the Power of Attorney in due form and authenticated by the administrative authorities. This power of attorney must be attached to the Fund's justificative documents.

In the event the supplier can not sign, he may fingerprint in the presence of 2 witnesses who must sign their names, and give their ID Card numbers and addresses.

When the creditor receives payment in cash or by check, the Fund Manager must mention in Receipt E3 or the invoice justification or the invoice itself, the following formula :

"Paid in cash or by check No. dated
the sum of after withholding tax in the amount of
and entering same in Cash Book under No."

At date

Signed : Accountant Manager

If payment is made in cash, fiscal stamps must be provided on the original copy of the invoice or the receipt.

2.2.8. Justifying Expenses from the Advance Fund.

a) Time to make justification :

With regard to an advance fund established separately for a given operation (such as celebration of a ceremony, organization of a training course ...), the time for making justification of related expenses must be mentioned in the Decision providing for the establishment of the Fund, i.e. one month after completion of the operation.

With regard to routine Fund, justification must be made immediately upon completion of the work and on the 31st of January of the following year at the latest.

b) Justificative files.

Vouchers to justify an expense made by the Fund Manager are the same as those attached to an administrative Cash Order.

- All vouchers must be original copies. If for any reason whatsoever, the original copy is lost, the carbon copy may be used as substitution but must be attached to a certificate certifying the loss (to be issued by the Credit Manager) and pledging that the original is not used for any

other purpose whatsoever.

- All expenditures must be listed by order of date and time on voucher E.2-Y.

- Vouchers and invoice justifications, form E.2-Y, must be submitted to the Credit Manager for approval.

- The file must be forwarded to the responsible Obligation Control Officer for checking and for approval of Purchase Orders from 20,001VN~~g~~ upward, if any.

- The Advance Fund justificative file includes :

- . Invoice justification Form E.2-Y (3 copies)
- . Vouchers justifying the expenditures

and is forwarded to the Liquidation Control Officer.

- The Liquidation Control Officer examines the dossier, signs his name on the invoice justification form E.2-Y and forwards it to the Central Accounting Agency (Directorate of Accounting Concentration) for necessary procedure. One copy of the invoice justification shall be returned to the Fund Manager.

2.2.9. Return of extra cash.

The Fund Manager must give the accurate justification of the total amount of the Fund.

- All money not used up of the Fund must be reported to the Credit Manager who shall issue an Order for Receipt for Reduction of Expense (from 5,000\$ upward) or a routine Order of Receipt (if under 5,000\$).

- If the balance is to be returned after the closing date of the budget year, an ordinary Order of Receipt shall be made (whether under or above 5,000\$).

- The Fund Manager may return the balance in cash or by check to the Receiving Officer in the latter's name.

Therefore, when he has to justify the Advance Fund, the total Account of the Accountant Manager at the Treasury must be 00\$.

The receipt issued by the Receiving Officer upon return of the balance cash must be attached to the justification dossier and is also recorded in Form E.2-Y as if it were an expense. This is for the justified sum to agree with the amount mentioned in the Cash Order previously issued.

2.2.10. Refunding.

Non refunded Advance Fund.

Such fund is allocated only once with the whole credit estimated upon establishment of the Fund.

Re-funded Fund :

Several Cash Orders are established for the initial amount allocated to the Fund. After the first Cash Order is spent, the Accountant Manager shall make the justificative file to request issuance of the next Cash Order and so on until the estimated credit is used up.

- Shall be attached to the request for refunding the Advance Fund :

- . Request for establishment of the Cash Order.

- . Decision establishing the fund (or reference to such Decision may be made on the Request for establishing the Cash Order).

- . Dossier justifying the Cash Order which has been used up.

- Upon expiration of the budget year, if payment of expenses cannot be made on time, the Fund Manager should not request for refunding but should ask the Credit Manager to de-obligate the amount for which Cash Order has not been made so as to carry the credit over to the next year.

2.2.11. Case where payments cannot be made for expenditures whose dossiers are received after the date of justification of the Fund :

Invoices to be paid against the Advance Fund (water, electricity, fuels supply etc.) which are established in the

previous year, but forwarded by the **creditor** to the Fund Manager after expiration of the date of justification of the Fund, shall be paid against the next year budget, by routine administrative Cash Order.

The Fund Manager is not authorized to pay for expenditures made in the previous year out of the Fund of the next year.

2.2.12. Power, liabilities and rights of the Advance Fund Manager.

a) Power and liabilities :

- The Fund Manager is an official responsible for accounting, who represents the external accounting control authorities to control the expenditure files and who represents the Treasury to pay the beneficiaries.

- The Fund Manager may not be concurrently Credit Manager, he may not attend meetings of the Price Inquiring Commission, Bid Committee, or Receiving Committee. He shall not be authorized to sign contracts for contracting services, works or supply.

He must carefully check all expenditure dossiers to see whether they are made in due form, whether the goods in question have been delivered, or works completed, prior to making actual payment therefor.

- If the dossier is not constituted in due

form, if some vouchers are missing, or if the expenditures are not made against the items mentioned in the Decision establishing the Fund, he shall have the right and duty to refuse payment and to return the dossier to the purchasing agency for adjustment or complementing the documents.

- If the dossier is made in due form, payment shall be made, either in cash within limit being authorized by the regulations, or by check after approval of the Disbursing Officer or his delegate.

The Fund Manager must keep such dossier in his files so as to be able to justify the legality of his payment and to eventually discharge his responsibility.

2) Liabilities.

As his personal liabilities are involved just like in the case of a public accountant, the Fund Manager must :

- Reimburse for any deficit of the Fund
- Reimburse for any amount spent without justification made in due form ;
- Reimburse for any payment made to unauthorized persons ;
- Retain and produce all justificative dossiers against which he has made payment out of the Fund.

Without these dossiers, he shall be at fault (of course, he may ask an individual or any official to keep his files or the check book, but all this is considered as personal assistance and any loss would be incumbent upon the Fund Manager personally).

c) Rights.

- The Fund Manager enjoys a liability allowance of 1⁰/o over the amount of the Cash, but not exceeding the maximum of 12,000\$ per year. Decree No.42-SL/TMT/CV of 17 March 1969 raised it to 25⁰/o.

- A Manager of an Advance Fund may be in charge of many ~~cashes~~, but shall enjoy only an allowance up to the maximum said above.

- This responsibility allowance is paid in concurrence with his functional allowance.

3. FUND FOR OPERATING A STATE MANAGED PROJECT (STATE MANAGED FUND.

3.1. Objective.

State Managed Fund is usually established to pay for expenses on labor and petty materials purchased on place for operating a state-managed project.

However, important expenditures concerning such project, such as purchase of sand, cement, steel, and transport expenses

which must be subject to a large price inquiry, a call for bid or invitation to bid must be always paid by administrative Cash Orders.

In special cases, (work sites in remote place, distant from the Treasury ...), such important expenditures may still be paid by the State-Managed Fund provided that **previous** approval of the Disbursing Officer of the Ministry concerned **be obtained.**

3.2. Procedure to establish a State-Managed Fund.

a) A State-Managed Fund is established by Decision of the Disbursing Officer of the Ministry concerned, stipulating :

- The objective of the Fund;
- The amount of the Fund ;
- The initial allocation and the number of Cash Orders issued ;
- The procedures for liquidation and re-funding ;
- The time for making justification of expenditures ;
- Appropriation of the credit (budget, year, section, Chapter, Article, Program, Code Number, if any);
- Formalities to deposit the money in the non-interest account and to draw money therefrom.
- The appointment of the Fund Manager and his rights.

b) If in the Decision providing for the establishment of the Fund, certain exceptions were provided such as limits whereby

price inquiry is exempted, application of a special labor
payscale etc., previous authorization of the Prime Minister must
be obtained by Decision.

In the Decision establishing the Fund, reference to such
Decision of the Prime Minister and enumeration of the exceptions
must be made.

3.2.2. Sample of Decision establishing the State-
Managed Fund.

THE MINISTER OF

Referring to

Referring to

D E C I D E S

Article 1 :

It is hereby established at
a state-managed Fund to pay for expenditures on labor and
purchase of miscellaneous materials for the new project (mention
details) to be carried out at whose necessary credit
being\$ (Cash Number) shall be extracted from
the work estimate in the amount of\$ approved on (date)
....., under No. and charged against the National
Budget, Title Chapter Article Year

Article 2 :

The initial allocation of the Fund shall be issued in

(how many) Cash Orders, each one in the amount of\$

Liquidation and re-funding of the Fund is fixed as follows:

Justification of the first Cash Order must be made before Cash Order No. is issued.

All payments must be justified upon completion of the work and one month at the latest after closing of the budget year.

The sum so allocated to the Fund must be deposited in a non-interest Account of the Treasury in the name of the Accountant Manager and the check to draw money therefrom must bear signature of the Credit Manager or his delegate.

Article 3 :

Mr. is appointed Manager of this Fund and he shall enjoy a responsibility allowance in accordance with regulations in force.

Article 4 :

.....
.....

SAIGON, 19..

3.2.3. Dossier for the establishment of the Fund.

a) To establish a State-Managed Fund, the Credit Manager must first forward to the Obligation **Comptroller for officer** visa and to the disbursing/for approval, a dossier which includes:

- Recommendation for establishment of the State-Managed Fund (Form C.4-Y).

- Draft copy of the Decision establishing the Fund ;

- Obligation Order

- Work project or work estimate bearing the following formula : "Approved and authorized for execution in State-Managed manner", with signature and seal of the Disbursing Officer of the Ministry concerned. (In the work project or estimate, it is necessary to distinguish expenditures to be paid by the state-managed Fund and expenditures to be paid by administrative cash orders).

- Reports of the technical agency stating the reason why it is necessary to execute the work in the state-managed way.

b) After that, the Credit Manager shall forward to the Disbursing Center (Liquidation Control), the application for establishment of the Fund which includes :

- Request for establishment of Cash Orders (D.7.Y) ;

- Copy of the Decision establishing the Fund.

3.2.4. Formalities to open Account at the Treasury - Bookkeepings.

- The same as those applied to Advance Fund.

3.2.5. Formalities to make expenses :

- All expenses must be made in accordance with financial regulations in force.

- Only expenses on labor, miscellaneous materials purchased on place, shall be paid by the State-managed Fund and within limit of the amount estimated in the Decision establishing the Cash:

Other important expenses such as purchase of sand, cement, steel, stone etc., or transport charges within limit of the amount to be subject to a large price inquiry, call for bid or invitation to bid and not estimated in the state-managed Fund shall be paid by administrative Cash Orders.

3.2.6. Mode of payment. Justification. Return of extra Cash in case payment cannot be made for expenditures on time limit.
Rights of the Fund Manager. :

- The same as those applied to the Advance Fund.

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H. GENERAL BALANCE OF GVN NATIONAL BUDGET.

H. GENERAL BALANCE OF THE NATIONAL BUDGET

1. GENERAL CONCEPT.

1.1. Definition.

The National Budget provides for Expenses and Receipts to be made in a budget year. After the 31st of December each year, all operations in execution of the National Budget must be closed : this is to establish the General Balance of GVN National Budget.

1.2. Purpose.

The establishment of the General Balance of GVN National Budget is for the purpose of :

- Reporting results from the execution of the National Budget during the closing year;
- Supplying necessary data to plan for and approve of credits of the next year.

1.3. Assignment of responsibilities.

- Disbursing Officers of public agencies of the Legislative, Executive and Judiciary must establish their own Balance Sheets and forward them to the Central Accounting Agency.
- The Central Accounting Agency consolidates and processes

necessary documents to establish the General Balance of GVN National Budget.

- The General Balance of GVN National Budget is submitted to the Council of Cabinet for examination, and furthered to the President of the Republic for approval prior to being forwarded to the Consorate.

- The Consorate examines it and submits it to the Legislative for approval by a legislation.

2. FORMALITIES TO ESTABLISH THE GENERAL BALANCE .

2.1. The General Balance of GVN National Budget is established in two times :

First time : The temporary balance (prior to 31 st March the next year).

Second time : The General Balance (prior to June 30, the next year).

2.2. The General Balance includes :

- A general report.
- A general status report presenting results obtained from the execution of the National Budget, in Receipts as well as in Expenses, and the Balance between total receipts and total expenses.

= A list of sources of credits.

- Reports in details of Receipts and Expenses.

2.3. The formalities to establish the General Balance of GVN National Budget, J.Y. 1969 have been explained by the Central Accounting Agency in its Circular No 334-ATC-KT/1 of 24 February, 1970.

The General Balance of GVN National Budget of 1970 may differ from that of 1969 in that it is necessary to separate Credits of the current year from those carried over from the previous year.

The Central Accounting Agency, therefore, will issue a Circular to give instructions and set up samples of various Balance Sheets and status of accounts for dissemination.

3. PREPARATIONS FOR MAKING THE BUDGET GENERAL BALANCE.

The Credit Managers must :

a/ Check their Obligation Book-keepings with the Obligation Comptroller at the Ministry (regularization of differences, amending deficiencies, de-obligation of non-used items).

b/ Check their Liquidation book-keepings with the Payment Approval Book-keepings at the Disbursing Center (regularization of differences, amending deficiencies, transfers, etc.).

If any delegated credit exists, to check it up with the Payment Approval Book-keepings of the provinces.

To add the approved payments at Central government agencies to those in the provinces.

c/ To establish the list of carried-over credits after the total obligations, liquidations and payment approvals have agreed with the book-keeping at the Obligation Comptroller's Office and the Disbursing Center.

d/ To check the Orders of Receipt ~~Book-keeping~~ against the list of Receipt Orders issued and those actually collected (Central and provincial, if any); to regularize differences, amend deficiencies, transfers etc.).

e/ To add up receipts made at Central government agencies and at provinces./.

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