

ALL ACCOUNTING OFFICERS AND CHIEF FINANCIAL OFFICERS

OFFICE OF THE ACCOUNTANT-GENERAL PRACTICE NOTE 4 OF 2005

DEVIATION FROM TREASURY REGULATION 15.12.3 FOR THE NON-ELECTRONIC PAYMENT OF AMOUNTS IN EXCESS OF R2000 VIA THE PERSAL SYSTEM

1. In terms of paragraph 15.12.3 (Part 6) of the Treasury Regulations for departments, constitutional institutions and trading entities issued in terms of the Public Financial Management Act, 1999, all payments in excess of R 2000-00 must be effected electronically unless otherwise approved by the relevant Treasury.
2. In terms of Practice Note 6 of 2002, dated 31 January 2002, issued by this Office, approval was granted that PERSAL may print cheques in excess of R 2000-00 in the following cases:
 - a. Leave gratuities and pro rata service bonus to the beneficiaries of deceased employees.
 - b. Payment of monies to non-computerised control branches of ACB banks.
 - c. Employees who do not have bank account details captured on PERSAL.
3. With reference to paragraph 2 (a) above, a request was received to adjust the PERSAL system to allow electronic payments in excess of R 2000-00 into the bank accounts of the beneficiaries of deceased employees if such bank details are provided.
4. In view of the fact that a large number of payments are made on a continuous basis to beneficiaries of deceased employees, and the fact that it is a very lengthy process to obtain approval for clearance of cheque payments in excess of R 2000-00, the requested change to make electronic payments into the bank accounts of beneficiaries of deceased employees', will definitely be to the benefit of the employers as it will enable Departments to issue these payments quicker and more effectively, as well as to the beneficiary who will receive the payment directly into a bank account.
5. The Office of the Accountant-General has therefore approved the amendment of the PERSAL system to enable departments to capture the bank details of the beneficiaries of deceased employees on the system in order to deposit monies into the bank accounts of beneficiaries. Once the system has been amended accordingly, departments must identify the beneficiary and verify the bank account details and capture it correctly on the system when the payment must be made, to ensure that benefits are only credited to the accounts of legally valid beneficiaries.
6. A PERSAL message will be broadcasted to inform users as soon as the system has been amended accordingly.

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ACCOUNTANT-GENERAL

DATE: 22 September 2005